

Social Security Bulletin

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*The Need for Social Security
in the Postwar World*

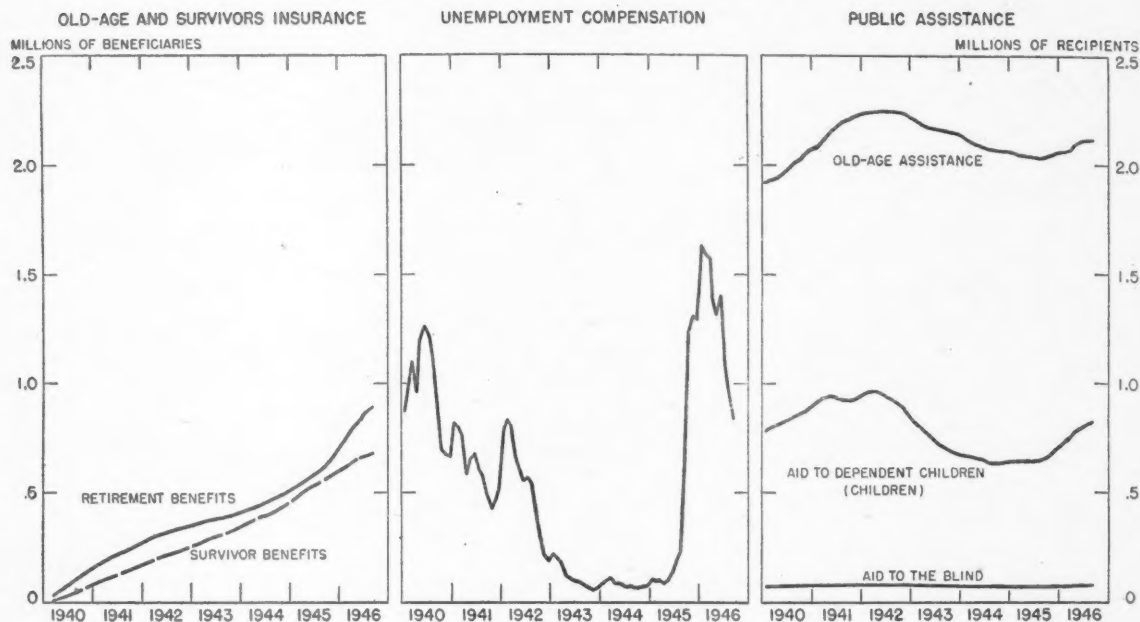
Two Programs for Employment Security

Experience Rating in 1945

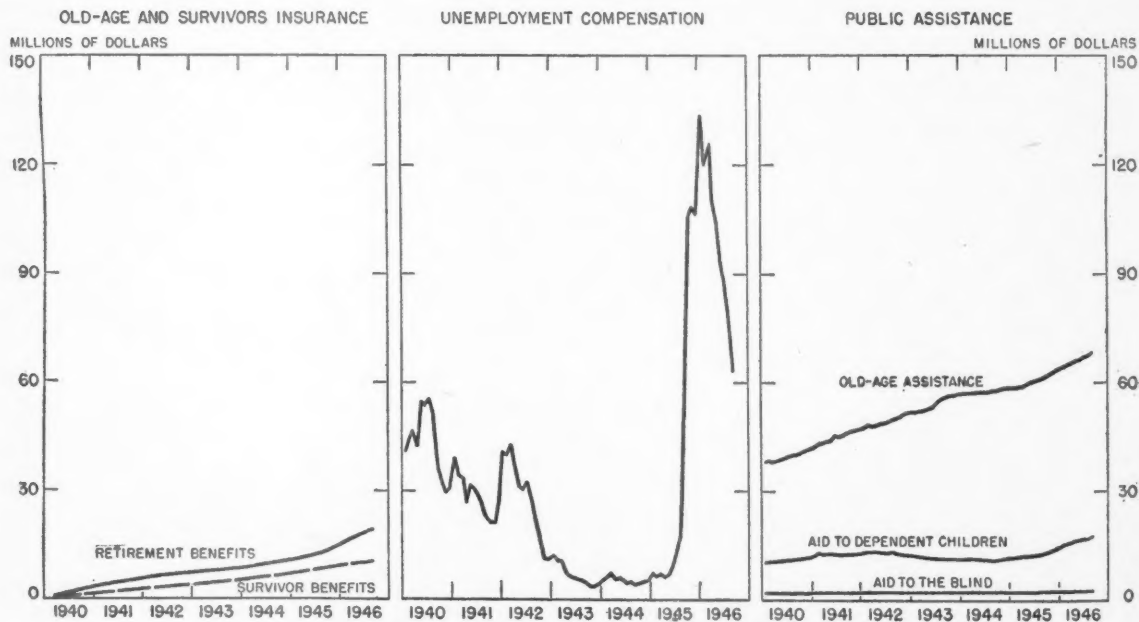
FEDERAL SECURITY AGENCY
SOCIAL SECURITY ADMINISTRATION
WASHINGTON, D. C.

Social Security Operations*

INDIVIDUALS RECEIVING PAYMENTS



SOCIAL SECURITY PAYMENTS



*Old-age and survivors insurance, beneficiaries actually receiving monthly benefits (current-payment status) and amount of their benefits during month; unemployment compensation, average weekly number of beneficiaries for the month and gross benefits paid during the month under all State laws; public assistance, recipients and payments under all State programs.



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Social Security in Review

The Labor Force in October

October was characterized by many observers as a critical month in the postwar boom. Although there was no evidence of an approaching set-back in production and employment and current income payments and sales were maintained at a very high level, symptoms were accumulating of a gradual leveling off of the upward trends in economic activity. It remains to be seen whether the economic expansion will be stabilized for some time at the present high level or whether the completion of reconversion will be followed by a set-back and—if this occurs—how severe the set-back will be.

Some change in the economic climate is bound to come. The present postwar boom cannot last indefinitely, and the reconversion has reached the stage when the further course of events deserves increasingly serious consideration. In fact, by the autumn of 1943 this country had passed the crest of war production and the preliminary industrial demobilization had begun. In May 1945, when Germany surrendered, employment in munitions industries was already far below the war peak. Further adjustments paving the way to the reconversion were effected by the middle of August, when the war in the Pacific came to an end. Thus, in October 1946, industrial demobilization was 3 years old if one starts with the crest of the war economy, and 14 or 19 months old if one measures from the end of the war in Europe or in Asia. All this time the economic system was gradually and slowly returning from the high pitch of all-out war to peacetime normalcy. The last leg of this journey, marked necessarily by the end of the boom, had not yet been reached in October, but the Nation was heading toward it.

The outstanding features of the present phase of the reconversion are the rise of wholesale and retail prices precipitated by relaxation and repeal of price controls; the break in stock prices and contraction of investments resulting from the feeling of uncertainty in the business community; and the growing resistance of consumers to high prices, complaints of labor against prohibitive costs of living, and increasing threat of a new wave of strikes.

As in 1918-19, the steep rise of prices did not start immediately after

the end of the war. There was a spell of hesitation, and then a gradual acceleration in civilian production under the ceilings established by the OPA. Prices began to climb in the summer of 1946. From the middle of June to the middle of October the official index of wholesale prices advanced 11.3 percent and that of 28 basic commodities almost 29 percent. Variations in prices of consumer goods were irregular, but the over-all rise was similar to that of the wholesale price index. At the same time, stock prices (weekly index for 402 stocks) declined more than 20 percent, but a slight recovery developed in the second half of October.

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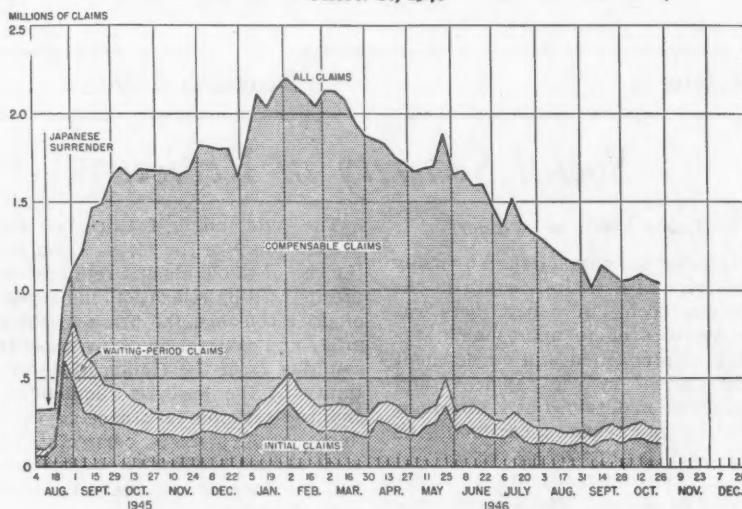
These divergent trends in prices of commodities and of stocks evidence the lack of balance in the economic system. Because prices and the cost of living are rising, industry is facing a dwindling of outlets for its products and new threats of higher wage demands. The result is confusion and a feeling of uncertainty. On the other hand, employment is still at a level unprecedented in peacetime; in October, nonagricultural civilian employment reached an all-time peak of more than 40 million; per capita consumption is higher than at any time in our history.

Unemployment in October in industries covered by State unemployment insurance programs remained at the low level to which it fell in the preceding month. The movement in weekly numbers of claims of different types during the last 13 months was as follows:

Week ended	Initial claims (in thousands)	Compensable claims (in thousands)	Waiting-period claims (in thousands)
1945			
October 27.....	175	1,381	124
November 24.....	164	1,410	105
December 29.....	154	1,390	96
1946			
January 26.....	307	1,667	160
February 23.....	195	1,709	139
March 30.....	163	1,594	118
April 27.....	172	1,430	111
May 25.....	339	1,382	157
June 29.....	162	1,202	101
July 27.....	124	1,102	98
August 31.....	132	932	73
September 28.....	130	840	81
October 26.....	134	831	79

It appears that the volume of unemployment in covered industries in September–October 1946 was close to the irreducible minimum for peacetime; its further appreciable decline, in the United States as a whole, is not very probable, therefore, although a sizable reduction of unemployment in individual States is in the realm of possibility. The movement of claims under the veterans' unemployment allowance program in recent months has been highly encouraging. From 1,764,000 in the middle of June, the weekly number of continued claims of veterans dropped to 1,650,000 in August and to 931,000 in the week ended November 2. In September and October the rolls went down more than 40 percent, as veterans enrolled

Weekly number of claimants for unemployment benefits, August 4, 1945–October 26, 1946



in colleges and universities at the beginning of the autumn semester. The rapid decline in the number of veterans receiving readjustment allowances indicated considerable progress in their adjustment to peacetime conditions.

After the maximum number of emergency workers had withdrawn from the labor market and most of the displaced munitions workers and ex-servicemen had been absorbed by the expanding civilian production, the labor market became increasingly tight. Shortage of labor, although not as acute as during the war, was as real in October 1946 as at any time since October 1945. In fact, labor remained the main bottleneck in production.

Under these conditions, even a serious deterioration in business conditions would not be immediately followed by mass unemployment. The recent economic developments warrant the attention of unemployment insurance agencies as a reminder that the more-than-full employment characteristic of the present phase of postwar economy must sooner or later come to an end, but should not be interpreted as signaling serious difficulties in the immediate future.

September in Review

Although more initial claims for unemployment benefits were filed in September than in August, continued

claims declined in all but four States, indicating that the increase in new unemployment was only temporary and probably occasioned by material shortages and by secondary unemployment resulting from labor disputes. Benefit disbursements, \$63.2 million, and average weekly number of beneficiaries, 839,000, were at the lowest points for the year. Unemployment in the country as a whole—as measured by the ratio of continued claims to average covered employment—was 3.5 percent in September. The September drop in this ratio was the sixth consecutive monthly decline from the high of 6.8 percent in March.

THE FIRST BENEFITS to survivors of veterans of World War II were awarded in September under the 1946 amendments extending the protection of the old-age and survivors insurance system to the survivors of such veterans who die or have died within 3 years of their discharge from the armed forces. Slightly more than \$19,000 was certified under this amendment—\$3,500 for monthly benefits and \$15,500 for lump-sum death payments. Awards of monthly benefits to all types of beneficiaries were fewer in September than in any other month of 1946, however, and except for benefits for widows and parents, awards in the 3 months July–September were smaller in number and

(Continued on page 52)

The Need for Social Security in the Postwar World

By A. J. Altmeyer*

In this address the Commissioner for Social Security declares his belief that the concepts of liberty, democracy, and equal opportunity, given new meaning by the war we have just fought, will lead to a postwar world in which—whatever changes emerge—there is bound to be greater social security and less individual insecurity.

IT WOULD BE a very presumptuous person who would pretend to be able to predict the exact future development of what we in this country have come to call social security. Its development depends first of all upon what kind of a postwar world we shall have.

Of one thing we can be certain. It will be a world of intensive, extensive, and rapid change—not only technological change but political, economic, and social change as well. We are not yet able to grasp even dimly the tremendous implications of the atomic bomb. While its technological implications stagger the imagination, its political, economic, and social implications are even more tremendous.

But I do not propose to discuss the atomic bomb. Even if the atomic bomb had never been discovered, this war that we have just fought has released psychological forces which, when coupled with widespread human misery and want, have set off "chain reactions" literally world-wide in their extent. I refer to what you probably will say are very old concepts of liberty, democracy, and equal opportunity. It is true that these concepts are not new in the western world, but they have never before been given global currency and application. The peoples in the far corners of the world have now become keenly aware of them and apparently are proposing to act accordingly.

It took hundreds of years for the rise and fall of ancient empires. A few decades can span the rise and fall of modern empires. As a matter of fact, the mode of existence of the common man was very much the same for thousands of years until a little over 150 years ago, when technologi-

cal forces which we call the industrial revolution and political forces which we call democracy began to sweep through the western world. The result has been more change during the last eight generations than during all of previous recorded history. What is important for us is that, so far as any one can see now, the rate of change, rapid as it has been, seems to be accelerating rather than declining.

Group Action for Security

I emphasize the fact that the postwar world will be a world of change because change means uncertainty and insecurity for the millions of human beings who will inhabit this postwar world. This, in spite of the fact that a basic human trait, perhaps we should call it instinct, is the yearning for security. This yearning for security manifests itself in many ways. Likewise, as society becomes more and more interdependent, the necessity of relying on group action rather than individual action grows greater and greater.

Group action may be either governmental or nongovernmental in character. Thus, the businessman may seek a tariff or a railroad or ship subsidy to protect himself against undue risks, or he may turn to business and trade associations to protect his interests. He may even join trusts or cartels to keep down what he considers undesirable competition. The farmer may seek a tax on oleomargarine or an embargo on Argentine meat or a parity price or government loans or government subsidies of one kind or another; or he may join farm organizations and farm cooperatives to assure himself a reasonable and stable income. The worker may seek government legislation prohibiting court injunctions or a Wagner Act preventing employer interference with labor organizations or legisla-

tion placing a floor below wages and a ceiling over hours; or he may resort to his economic power through labor unions to control wages, hours, and working conditions. The consumer usually must rely rather largely upon governmental action to protect his interests. Thus, we have a law providing for meat inspection, a Pure Food and Drugs Act, laws regulating weights and measures, a Federal Trade Commission to enforce truth in advertising, and an Office of Price Administration which undertakes to control prices.

Sometimes the yearnings for security on the part of businessmen, farmers, workers, and consumers clash. In fact, sometimes the yearning for security of the very same individual as a businessman or a farmer or a worker clashes with his yearning for security as a consumer. Naturally, businessmen and farmers and workers want to get high prices for what they sell as producers and pay low prices for what they have to buy as consumers. Under such conditions, it is of course necessary for the government to undertake to reconcile all these yearnings for individual security to achieve the maximum amount of general security.

The particular form of security with which we are concerned is what has come to be called social security. Not much more than a decade ago the very term social security had not come into existence. Now it is in the process of acquiring such an inclusive meaning that its usefulness as a term to describe a specific program of action is in danger of becoming impaired. Thus, we find world statesmen asserting that social security is the main motive of national life. We find it listed as a chief objective in the Atlantic Charter.

In the large sense in which it is used by statesmen, it covers all the essentials of decent human existence—housing, education, health, and full employment—as well as elimination of destitution. However, when it is used in the narrower sense to describe a specific program of action, it is usually confined to governmental measures designed to eliminate want by preventing the loss of current income.

Many well-meaning and socially minded people believe that if we can

*Commissioner for Social Security. From an address delivered at the Fifteenth Annual Meeting of the Controllers Institute of America, New York, September 16, 1946.

maintain full employment and full production there is no need to set up a specific social security program to prevent loss of current income. Those people fail to realize that, even though we achieve the goal of full employment and full production, the working people of this country will still be confronted with the great economic hazards of sickness, physical disability, old age, and death. In our modern society these hazards cause far greater interruption of earnings and far greater destitution than unemployment, even the unemployment that occurs during a period of deep depression. Experience has shown that large numbers of persons are unable to protect themselves against these economic hazards through non-governmental means.

Social Security v. Socialism

There are other well-meaning and socially minded people who sometimes confuse social security and socialism. It does not require much analysis, however, to demonstrate that socialism and social security proceed from diametrically opposite goals. Marxian socialism is based on the theory of the class struggle. Social security is based on the theory of social solidarity. Socialism aims at the destruction of private enterprise, whereas social security is designed not only to preserve but to promote private enterprise. Social security enables a system of free enterprise to encourage invention, improvement, elimination of waste, variety, and continual adaptation to changing ideas and circumstances without at the same time creating serious social problems. It does this by providing individuals with a minimum degree of protection against the loss of income which such changes often cause. Socialism aims at a redistribution of wealth. Social security recognizes that all that a government program should do is to establish a minimum basic protection against loss of income, on which the individual will be encouraged to build for himself a more attractive degree of well-being through the well-known devices of individual savings, private insurance, and home ownership.

Security a Function of Government

When we undertake to establish a

social security system designed to provide a minimum basic protection and thus eliminate want, we are not striving for strange and new ideals; nor is it even necessary for us to depend on strange and new methods. While social security in this country is a relatively recent development, it has been a familiar and recognized function of government in other countries. Indeed, it is one function of government which has grown and is growing, despite changes in government and two world wars. We have a world history and world experience on which to base our planning and our action. Indeed, in our own Social Security Act we already have the fundamental elements of a program of social security designed to eliminate want. It is only necessary for us to extend, expand, and improve upon our present Social Security Act in the light of the experience and thinking that has developed since that act was passed in 1935.

Since the security of the large majority of people is dependent on their earnings, the focal point of our efforts should be to provide reasonable protection against interruption of income due to sickness, accidents, old age, death, and unemployment. In other words, we should strive to devise a system which will spread income over periods of nonearning as well as periods of earning. This can be accomplished to a large extent by a comprehensive system of social insurance under which benefits are paid to compensate for a reasonable proportion of the wage loss sustained. The cost of such benefits should be financed out of contributions made by the workers of this country and by their employers, supplemented ultimately by some contribution from the government, representing the entire community.

Yet even a comprehensive contributory social insurance system cannot provide complete protection under all conceivable circumstances. Certainly an insurance system cannot insure against hazards that occurred before the system was established. Therefore, a basic and comprehensive system of public assistance is also necessary to meet the needs of individuals and their families that cannot be met out of their own resources.

Under a contributory social insurance system, benefits are usually payable to compensate for a portion of the wage loss sustained, but without applying a means or needs test in the individual case. However, the benefit formula is usually constructed in such a way as to pay a greater proportion of benefits to low-wage earners with large families than to high-wage earners with no dependents. Contributory social insurance, as its name implies, is mainly supported by contributions made by the potential beneficiaries and by the employers of the potential beneficiaries. In contrast, public assistance is payable only on the basis of a showing of need in the individual case, and is usually financed out of general tax revenues.

A Comprehensive Contributory Social Insurance System

It is perfectly feasible, I believe, to construct a single comprehensive contributory social insurance system that would cover all the major economic hazards to which the workers of this country are exposed. The simplest way to accomplish this purpose would be to use the present Federal old-age and survivors insurance system as a foundation. Under that system, individual wage records have already been established for 74 million individuals. There is no reason why these individual records cannot be used for determining benefit rights for unemployment insurance as well as for temporary and permanent disability and medical care. Through the use of teletype equipment the individual records could be made instantly available to any local office throughout the country so that claims could be processed without delay.

Employers would have to make only the 4 quarterly wage reports they already make under the Federal old-age and survivors insurance system. This would be in sharp contrast to the 209 reports an employer must now make under the old-age and survivors insurance system and the 51 different unemployment insurance laws if he happens to be operating in all these jurisdictions.

A single string of offices could be used for all phases of such a system of contributory social insurance. There should also be established representative advisory committees

and, in the case of unemployment insurance, local tripartite appeals boards to make certain that all the individual and local circumstances are taken into account in making the decisions.

The fact that it is possible to decentralize claims determination is evidenced by the experience developed under Federal old-age and survivors insurance. Under that system, 97 percent of all claims are determined in the local office. Contrast this decentralized claims determination with the centralized claims determination that exists under most State unemployment insurance laws. I believe that more realistic decisions would be made in unemployment insurance if the decisions were made locally, subject to appeal to a local representative tripartite board familiar with local labor-market conditions.

If a comprehensive contributory social insurance system is adopted covering all the hazards that I have mentioned—unemployment, temporary disability, permanent disability, old age, and death—it of course becomes increasingly desirable and necessary that the coverage of such a system be extended as widely as possible, since all the population of this country is subject in varying degrees to these hazards. From an administrative standpoint, there is no longer any reason why any groups should be excluded and from the standpoint of providing protection there is every reason why they should be included. In the case of workers for small employers it is administratively feasible to extend coverage through the use of a stamp-book system. Under such a system the employee would be furnished with a stamp book in which the employer would place stamps evidencing his and the employee's contributions. In rural areas the employer could purchase these stamps from the mail carrier, and in urban areas they could be purchased at post offices.

It would of course not be feasible to insure self-employed persons against unemployment or temporary disability, because there would be no employer-employee relationship or specific wage loss to serve as a test of entitlement to benefits. It would be perfectly feasible, however, to insure

self-employed persons against the other economic hazards mentioned.

During the first few years it is probable that the current costs of all the benefits suggested, both the present benefits and the ones added, would be more than covered by a total combined rate of contribution on pay rolls of 8 percent, depending on the exact benefits provided. This rate would include both employers' and employees' contributions. The total combined normal rate at the present time is 5 percent. Even under the present Social Security Act, this combined rate automatically becomes 9 percent by January 1, 1949.

I believe that a unified comprehensive system of social insurance offers the greatest assurance that there will be no gaps or overlaps or anomalies in the protection that is afforded against the various risks covered. At present it is of course possible for a person to have worked an insufficient length of time to qualify for retirement benefits under Federal old-age and survivors insurance or under any other private or public retirement system. On the other hand, dependents of a worker who is killed can draw benefits under four different kinds of Federal and State laws—old-age and survivors insurance, the United States civil-service retirement system, State workmen's compensation, and veterans' legislation. Until recently, a surviving spouse could also have drawn benefits under the Railroad Retirement Act as well. Recent amendments, however, provide that survivor benefits shall be calculated on the combined wage record developed under the Railroad Retirement Act and the Social Security Act.

Some question might be raised whether a national contributory social insurance system would not be too inflexible because of the necessity for uniform provisions applicable throughout the entire country. However, if benefits are related to an individual's past earnings, as I believe they should be, they would of course automatically reflect differences in wage rates in the various parts of the country. In fact, there would be much more consistency than now exists under the 51 different State unemployment insurance laws. At present, workers with exactly the same earnings record can draw unemploy-

ment benefits in a year ranging all the way from \$210 to \$546, under different State laws, at a weekly rate varying all the way from \$15 to \$25. Likewise, employers with exactly the same experience with unemployment have to pay contribution rates ranging from one-tenth of 1 percent to the full normal rate of 2.7 percent.

Then, of course, it should also be borne in mind that a national system would take into account a worker's total earnings history, however many States he may have worked in. Thus, there would be no possibility of a worker's failing to draw benefits because his wage record has been split between two or more States or of his drawing duplicate benefits because he qualifies under the laws of more than one State. Neither would there be the long delay that now exists in the payment of benefits to workers who move from one State to another.

But, regardless of whether we have a straight national contributory social insurance system or a combination of a national social insurance system covering what might be termed the long-term risks, such as permanent disability, old age, and death, and State systems protecting against the so-called short-term risks of temporary disability and unemployment, there is great need for coordination between the various systems. Several of the State unemployment insurance agencies have experimented with using the Federal old-age and survivors insurance records, with considerable success. Greater uniformity in the coverage provisions of the Federal and State laws is necessary, however, before any extended use could be made of the Federal old-age and survivors insurance records by the various State unemployment insurance agencies. Greater uniformity in the coverage provisions is, of course, desirable in any event, since it might enable employers to use carbon copies of one wage report for both Federal and State purposes.

A Comprehensive Public Assistance System

Our attack on the prevention of destitution must be a two-pronged attack, as I said earlier, including both social insurance and public assistance. I have laid more emphasis on the development of a comprehensive con-

tributory social insurance system, because I believe that such a contributory system is more in keeping with our system of free enterprise than is a system of public assistance. We must recognize also, that even with a comprehensive contributory social insurance system it would be too much to expect that all human destitution would be eliminated. No system of social insurance can insure against hazards that have already occurred or can provide adequate protection in all conceivable circumstances. Therefore it is important that we also greatly strengthen our present system of public assistance, which should continue to be operated by the States rather than the Federal Government. However, time will not permit me to discuss how our present system of public assistance can be and should be strengthened.

The reason I believe that a contributory social insurance system fits in better with a system of free enterprise is simply this: Under social insurance there is always some recognition given to the previous wage history and length of time a beneficiary has been insured and therefore to differentials in past income which an individual has been able to develop. In contrast, under any system of public assistance it remains true that, since the assistance is based on the individual need, the more a person saves the less he gets by way of assistance. Moreover, in order to get assistance, the applicant must submit to a needs or a means test, which, however intelligently and sympathetically administered, creates an invidious distinction destructive of individual morale. The great virtue of a contributory social insurance system is that it prevents human destitution before it occurs instead of undertaking simply to relieve it after it has occurred. Therefore it must always be a first line of defense and public assistance a secondary line of defense against human want.

Health Insurance

Before closing I should say something about health insurance, since it has received considerable attention lately. Of course a sharp distinction must first be made between insurance to cover a portion of the wage loss sustained and insurance to cover the

cost of medical care. The American Medical Association, which, as you know, is opposed to a system of contributory social insurance to cover the cost of medical care, is not opposed to cash indemnity to pay a portion of the wage loss due to sickness.

When we turn to the question of protection against the cost of medical care, again it is essential for clear thinking to distinguish between socialized medicine and health insurance. Socialized medicine implies medical services provided by physicians employed by the Government; health insurance, on the other hand, implies a system whereby medical service is provided by private, competitive practitioners who are reimbursed from a special insurance fund for the services they render. In other words, socialized medicine is not only a system for spreading the cost of medical care but also a system of medical practice; in contrast, health insurance spreads the cost of medical care and does not replace the competitive private practice of medicine. Only the Union of Soviet Socialist Republics has a national system of state medicine; more than 30 countries have national systems of compulsory health insurance.

In this country, every State but one is already operating a system of compulsory health insurance applicable to accidents and diseases arising out of occupation—that is, workmen's compensation. I am sure that no one would think of abandoning workmen's compensation insurance. It seems generally agreed that, in spite of recognized deficiencies, workmen's compensation has resulted in providing more nearly adequate medical care for the victims of work accidents and diseases and more nearly adequate compensation for the physicians and hospitals called upon to treat them. In the broader sense, health insurance is merely more inclusive than workmen's compensation; it covers nonoccupational accidents and diseases.

The administration of health insurance should of course be decentralized so that all necessary arrangements with doctors and hospitals and public health authorities could be subject to adjustment on a local basis. The local hospitals and doctors should

be permitted to choose the method of remuneration which they desire.

Besides free choice of method of remuneration, the system should provide free choice of physicians and free choice of patients. The professional organizations themselves should be relied upon to assist in the maintenance and promotion of desirable professional standards.

Voluntary organizations that provide health services would have an important role under a system of health insurance. So would voluntary cooperative organizations that are concerned with paying doctors, hospitals, or others for health services but do not provide these services directly.

Though hazards are involved in any governmental attempt to meet the problem of spreading the costs of medical care, I believe we must recognize that there is a large and growing demand by the people of this country that the Government act. Every unbiased poll that has been taken in the last 10 years shows that this is so.

The British Medical Association, as a result of more than 30 years' experience with health insurance, is wholeheartedly in favor of the principle of compulsory health insurance. Indeed, it has assumed leadership in demanding that the present health insurance system be made more comprehensive in terms of persons covered and services provided. Likewise, the Canadian Medical Association has gone on record as favoring the principle of compulsory health insurance.

A Minimum Basic Security

The twin programs I have suggested—a comprehensive contributory social insurance system supplemented by a comprehensive public assistance system—would provide only a minimum basic security for the people of this country. It would provide a safety net protecting the people of this country against major economic hazards, not a feather bed releasing them from the necessity of helping themselves. It would be an effective system because the benefits would be related to proved wage loss or proved need. It would be a system which would provide a maximum amount of security at a minimum cost.

In fact, in a very real sense the costs of insecurity are now being

borne by the individual citizens of this country. A sound social security program makes these costs more bearable by distributing them more systematically and equitably.

Because only a minimum basic security would be provided, there would be every inducement to the individual to provide still better security for himself and his family through individual savings and private insurance. This development has already occurred in connection with Federal old-age and survivors insurance. The amount of group annuity business written since the Social Security Act was passed is many times the amount written in all the previous years. As you may have noticed from advertisements and the radio, several large life insurance companies are basing their sales promotions largely on the feasibility and desirability of additional insurance to supplement the basic insurance protection provided by the Government system. I am confident that insurance companies generally believe that this Government system educates and induces the public to obtain additional protection through private insurance.

Let us also not forget that under a contributory social insurance system the financial base is automatically provided. The workers of this country and their employers pay for the benefits that are received. It is not a plan for giving everybody something for nothing but a plan for organized thrift. As former Prime Minister Churchill said, the essence of social insurance is "bringing the magic of averages to the rescue of the millions."

The program I have outlined will not usher in Utopia. Even so, there are some who believe that providing a minimum basic security is unnecessary and unwise. They believe that destitution, by and large, is due to personal inadequacy and derelictions rather than to impersonal social forces. They are therefore convinced that any government action aggravates rather than relieves the problem.

I think we must agree that social security does substitute hopes for fears. It really comes down to a question of just how much faith we have in the common man and in democratic government. Putting it bluntly, we must decide whether the common

man must be driven to exert himself by the fear of starvation or whether it is hope of reward that leads to high endeavor.

If the common man needs to be driven by fear of starvation there can be very little hope for the success of democratic government. In a democracy the will of the common man is the law of the land, and the common man will not vote for starvation. In-

deed, to my mind, reliance on fear of starvation as a motive force is worthy of a slave nation, not a free nation. The greatest war in history has just been fought to make certain that free people shall inherit this earth. We can be absolutely certain that, as the forces of democracy advance, the postwar world is bound to be one of greater social security and less individual insecurity.

Two Programs for Employment Security

By Arthur W. Motley*

Legislation enacted in July 1946 directed the Secretary of Labor to transfer to State operation on November 15 the public employment offices which were transferred by the States to the Federal Government in January 1942 to centralize and unify the mobilization of the labor force for war production. This article discusses the coordination and development of the employment services and the unemployment insurance systems as part of a single program of employment security serving business, labor, and the community.

THE OBJECTIVES of unemployment insurance and of employment service are identical. Both are directed toward the employment security of the worker. The functions of each are so closely interlocked that, from the standpoint of the public, the employer, and the worker, both programs serve the same ends—to help a worker find a job when he is unemployed and to help him bridge the gap in income between jobs. Because both programs are parts of a single plan, the separate functions of one complement and strengthen the functions of the other. The job-finding operation of the employment service is a necessary adjunct to the determination of eligibility for unemployment insurance. Unemployment insurance, on the other hand, helps to channel workers through the employment service, thereby providing a central place where employers can look for workers.

Complementary Programs

This mutual support that the programs give each other, especially the support that unemployment insurance brings, is often overlooked or mini-

mized. More persons hold jobs in the United States today than ever before in the peacetime history of our country. More persons are covered today under our State unemployment insurance laws than ever before in any peacetime period. Broad, Nationwide machinery has thus been established whereby a large percentage of workers who change industrial employment automatically pass through the employment service facilities in order to participate in unemployment insurance.

Before the passage of unemployment insurance laws, employment service offices were on the fringe of the labor market insofar as the labor supply was concerned. With the establishment of unemployment insurance, the employment service gained stature. It became an important and integral part of the movement of workers in the labor market. Today the flow of workers through the process of claiming unemployment benefits not only gives the employment service an opportunity to help workers find jobs; it also places the employment office in a much better position to serve employers.

Since the workers, to be eligible for unemployment insurance, must register for a job, every unemployed claimant must go through the employ-

*Assistant Director, Bureau of Employment Security. Based on a speech delivered August 15, 1946, before the Interstate Conference, Regions XI and XII, Mt. Rainier, Washington.

ment service. Employers should recognize that this is an excellent device for centralizing the source of labor in a community. They should use the facilities of the employment service for their labor needs. Of course, employers have an interest in unemployment insurance and in employment service as stabilizing influences in our economy and they are interested in the effects of experience rating on their individual accounts. I believe, however, that employers are or can become interested also in dealing with an agency that has first-hand contact with the greater part of the labor supply of the community.

Proper organization and coordination of the unemployment insurance and employment service programs produce other valuable results for business and the community. Every well-managed local office has information on much more than the volume of unemployment in the community. It has data on the kinds of occupations the unemployed persons held and on their age, sex, length of unemployment, and other facts that can help business, labor, and the community in plans for the future. There is great and serious interest today in maintaining a high level of employment. The information to be found in unemployment insurance claims should help materially in any planning done by local, State, or national groups.

One of the most common criticisms that have been leveled at the employment service is that the majority of unemployed persons do not use the local employment office to find work. True, many persons find jobs through newspaper advertisements, union hiring halls, company hiring offices, and by various other methods. The fact remains, however, that nearly half a million placements were made by the employment service in June 1946. That is the answer to the charge that the employment service is not used. Beyond a doubt it fills a very important role in the job-finding machinery of the Nation.

It is sometimes contended that the regular flow of claimants through the employment office is a hindrance to its work rather than an aid—that it would be easier for the employment office to call people in when they are needed. If this is the situation in a

local office, it seems to me a sign of weakness on the part of the manager. A good manager can set up his office in such a way that volume can be handled efficiently and with speed. Top performance in this area is one of the requirements of a good local office manager. If the local employment service office is efficient, business and industry in the community will look to it for help in solving employment problems.

I believe, moreover, that constructive arrangements can be made by the employment service with labor organizations that have hiring agreements with employers. Unemployment insurance can be an important cog in such arrangements. Good placement techniques are appreciated by labor as well as by management. In working together for employment security, we all have a common interest in seeing that the right man is placed in the right job. A good employment service backed up by unemployment insurance will be an aid even to the labor groups that have special hiring arrangements of their own.

Coordination, Not Subordination

Although unemployment insurance supplements and helps support the employment service, neither one should be subordinated to the other. The functions of unemployment insurance are quite clearly defined; those of the employment service are broader and can be more far reaching. Therefore the employment service should not be made the junior partner in this program. It should have an opportunity to develop policies that will make for better service to people and to the community. All State administrators of unemployment insurance will want to know about the six-point program that has been developed by the employment service and to consider it in all its aspects.

While the two programs are really one, have common objectives, and must be coordinated if they are to serve the community, business, and labor effectively, the peculiarities of each program demand wide latitude in the development of policies that are related to one program alone. Employment service, for example, needs opportunity to develop techniques in

placement, counseling, and job analysis. Unemployment insurance needs elbow room to develop new methods in contributions, wage records, benefit formulas, and decisions. Neither program is the junior partner; both are of equal importance, and should be allowed to develop individually as well as in a team.

When, in 1939, the employment service was transferred to the Social Security Board from the Department of Labor, the Board insisted that certain common functions of the two programs be combined, and it strongly urged coordination of related functions wherever possible. Considerable progress was made by the States in cooperation with the Board in merging the objectives of the two programs into one unified goal. In reviewing some of the organizational problems that will arise this fall as we start in again on November 15, we find ourselves in very much the same position as we were in at the time of the former transfer.

The overhead administrative relationships in the States are much the same as they were 7 years ago. Both unemployment insurance and employment service report to a single State agency, so that the question of jurisdiction within the State is not a problem.

Fiscal problems are common to both programs, and it certainly seems logical to merge the programs in this regard. To keep the fiscal determinations separate would involve innumerable problems in deciding whether and to what extent each person in an agency is devoting his time to employment service or to unemployment insurance. Most of the personnel can be easily tagged as employment service or unemployment insurance, according to the duties they perform, but there are many whose duties lie in both fields. Separate budgeting would be costly and cumbersome. The fact that the States are handling veterans' readjustment allowances, and that the fiscal arrangements for this program are already merged in a single State budget, is an additional argument for merging employment service and unemployment insurance budgets. If further arguments are needed, remember that there will also be budgets for the temporary provision for seamen, that two States have

disability insurance, and that additional States are seriously considering this type of legislation. In one State the unemployment insurance agency handles the retirement system for State employees. A State agency that attempted to keep all these accounts in separate budgets would be living with a Frankenstein. We need simpler, not more complicated, budgeting. The same fiscal standards should prevail for each program.

It seems clear also that the same merit-system standards should prevail for personnel in both programs. In States where there is a State-wide civil-service system, this question is answered, and in other States a single set of standards governing the employment of workers in both programs would be advisable.

A single informational program would help eliminate contradictory publicity, such as has sometimes appeared. Much of the public misunderstanding of the functions of unemployment insurance and employment service has been caused by a lack of coordination in issuing press releases about the volume of placements and the volume of unemployment insurance claimants. Because insufficient explanation was given with the figures, the public often received the impression that jobs were not being filled while persons qualified to fill those jobs were collecting benefits. Analysis of the figures showed that the people collecting benefits either did not fit the requirements of the jobs, or else the jobs were not "suitable" work for the claimants. We badly need an aggressive informational program that will place our operations squarely before the public and explain our purposes clearly. We cannot go down separate roads; our efforts must be integrated.

In the field of research and statistics, coordination is likewise desirable. This is an area in which unemployment insurance makes one of its greatest contributions. No other government agency in the employment and wage area, either State or Federal, has such a wealth of economic and labor data. The statistical information is accurate and can be kept up to date. Valuable information from the employment service combines well with unemployment

data to give a complete picture. To continue to operate research and statistics programs separately would be costly and would cause employers much hardship in making out reports. I cannot say definitely what kind of arrangements should be developed within a State, but all logic points to close integration of arrangements for research and statistics.

A Community Service

There should be considerable flexibility in the type of organization that stems from the top level in the State agency to the functions that are performed in the local office. Each State will wish to consider the type of organization that, in view of the State's industrial composition, size, and other characteristics, will provide the most efficient employment service and effective unemployment insurance. While much has been said in the past few years about the merits of a Federal employment service and the merits of a State employment service, from an operational standpoint these programs are neither State nor Federal, but local.

The type of local office required to serve a community area must be developed according to the needs of the area; a standard, fixed pattern should not be used for every local office in the State. In this developmental

work, representatives of employers in the area to be served should be asked for their opinion as to the kind of service they will require from the two programs. Labor organizations can likewise provide important information and should be consulted. This would be an excellent opportunity to use the techniques of labor-management organization which proved so useful to the employment service in wartime.

Our programs must be sold to communities not as Federal programs or State programs, but as a community service performing the following functions: placement service for workers seeking employment; counseling service for those who need such help; provision for financial aid to workers when they are unemployed and qualify for unemployment benefits; support of purchasing power in the community through the benefits paid to unemployed workers; analysis of job requirements; and a wealth of labor-market information. If this whole program is thoroughly understood by the community, our administrative problems will be eased considerably. These are just a few of the functions that can be coordinated and developed to give workers real employment security when both unemployment insurance and employment service are again State-operated.

Experience Rating: Operations in 1945 and Future Trends*

Operations in 1945

CONTRIBUTIONS to the unemployment trust fund on 1945 wages are estimated at \$1.05 billion,¹ or about 11 percent below the previous year's total of \$1.17 billion. Although the end of the war in August 1945 caused taxable wages for 1945 to decline from

the 1944 total, the major cause of the decrease in contributions was the drop in the average employer-employee tax rate from 1.93 percent to approximately 1.8 percent.

Of the \$1.05 billion contributed on 1945 wages, \$970 million came from employers and \$80 million from employees. Experience rating caused a decline in revenue from the preceding year of about \$630 million, or 38 percent.

Employers in the 45 States with experience rating paid contributions on 1945 wages at an estimated average rate of 1.6 percent. As a result of the reduced tax rates, employer contributions in these States were approximately 41 percent below what they would have been at the standard

*Prepared in the Program Division, Bureau of Employment Security.

¹ Except for the discussion on page 16, the effect of war-risk provisions (including the special postwar reserve tax of 0.5 percent in Wisconsin) is excluded from all figures shown in this summary. In 1945, 12 States had war-risk provisions in operation (Alabama, Florida, Georgia, Illinois, Iowa, Kansas, Maryland, Minnesota, Missouri, Ohio, Oklahoma, and Wisconsin). See the *Bulletin*, September 1946, pp. 9-15.

Table 1.—Average employer and employee contribution rates, 1941–45

Year	Average contribution rate (percent)					
	All States			Experience-rating States		
	Combined employer-employee	Employer	Employee ¹	Combined employer-employee	Employer	Employee ¹
1941.....	2.72	2.58	1.00	2.50	2.17	1.00
1942.....	2.32	2.17	1.00	2.04	1.81	1.00
1943 ²	2.18	2.04	.93	1.97	1.77	.95
1944 ²	1.93	1.79	.92	1.75	1.59	.94
1945 ^{2,3}	1.8	1.7	.9	1.8	1.6	.9

¹ Average rates for States with employee contributions.

² Excludes effects of war-risk contribution provisions.

³ Preliminary; excludes voluntary contributions made during year.

rate.² For all 51 States, including the 6 without experience rating, the average effective employer contribution rate for 1945 is estimated at 1.7 percent; employer contributions for the Nation were about 39 percent below contributions collectable at the standard rate (table 2).

Employees were taxed in only 4 States—at a rate of 0.2 percent, on the average, in Alabama, 0.5 percent in Rhode Island, and 1.0 percent in both California and New Jersey. Including the employee tax in these States, contributions made to the unemployment trust fund during 1945 averaged about 1.8 percent for both the 45 experience-rating States and for all States.

During 1945, experience-rating provisions were in effect in all but six States (Alaska, Mississippi, Montana, Rhode Island, Utah, and Washington). In 1945, experience-rating provisions became effective for the first time in Louisiana, Nevada, and New York. Louisiana adopted a reserve-ratio plan for rate variations, and Nevada introduced a benefit-ratio plan. New York enacted a method for modifying employer contribution rates that differs from all other systems in every important feature. This plan, which is explained below in some detail, measures an employer's experience with the risk of unem-

² The standard rate is the contribution rate which all new employers are required to pay until their "experience" with the risk of unemployment is sufficient to serve as a basis for rate modification under the experience-rating provisions of State laws. It is 2.7 percent in all States except Michigan, where it is 3.0 percent. In 1945, rates in excess of the standard rate were assigned in only 16 of the 45 experience-rating States.

ployment on the basis of pay-roll variations and age of firm.

Experience Rating, 1941–45

The consistently downward trend in the national average employer-employee contribution rate during past years carried over into 1945. The average rate dropped to 1.8 percent in 1945 from 1.93 percent in 1944 and 2.72 percent in 1941. Employer contributions declined from 1.79 percent in 1944 to 1.7 percent in 1945 because of an increase in the number of States with experience rating and the continuance of favorable employment levels throughout 1944. Employee contributions for the 3 years 1943–45 in the States with such contributions remained at an average effective rate of 0.9 percent. The average employer tax rate in the experience-rating States in 1945 var-

Table 2.—Effect of experience rating¹ on employer contributions, 1941–45

Year	Number	States with experience rating			All States, reduction in revenue as percent of contributions at standard rate
		Average employer contribution rate	Reduction in revenue		
			Amount (in millions)	As percent of contributions at standard rate	
1941.....	17	2.17	\$54	20	5
1942.....	34	1.81	209	34	20
1943 ¹	40	1.77	404	35	25
1944 ¹	42	1.59	567	42	34
1945 ^{1,2}	45	1.6	620	41	39

¹ Excludes effect of war-risk contribution provisions.

² Preliminary; excludes voluntary contributions made during year.

ied from 0.4 percent in the District of Columbia and 0.6 percent in Delaware to 2.3 percent in Tennessee and 2.4 percent in Louisiana and Nevada. There was, however, an increasing concentration at the lower rates. In 1945, employers in 7 States, as compared with 3 in 1944, contributed at an average rate of less than 1.0 percent. One State in 1944, but none in 1945, had an average rate above 2.5 percent. The increase from 12 to 14 in the number of States with average rates of 2.0–2.4 percent resulted mainly from the relatively high average rates in 3 States where experience-rating provisions became effective late in 1945.

Average employer contribution rate (percent)	Number of States				
	1941	1942	1943	1944	1945
Total.....	17	34	40	42	45
Less than 1.00.....	0	1	1	3	7
1.00–1.49.....	2	1	7	10	11
1.50–1.99.....	4	18	15	16	13
2.00–2.49.....	8	12	14	12	14
2.50 or more.....	3	2	3	1	0

The average employer rate in experience-rating States fell from 2.17 percent in 1941 to 1.59 percent in 1944 and remained near that level—1.6 percent—in 1945 (table 2). The percentage reduction in employer contributions below what would have been due at the standard rate more than doubled between 1941 and 1945; in 1941, revenue was reduced 20 percent, while in 1945 the reduction amounted to 41 percent. From 1938, when Wisconsin instituted the first experience-rating plan, through 1945, employer contributions have been cut approximately \$1.9 billion, or 22 percent below the amount that would have been paid at the standard rates.

Rates assigned during 1945 were based largely on conditions during the war, when employment was very high and unemployment insurance payments were very low. Rates were below the 1943 and 1944 levels in almost all States, but especially in the benefit-wage-ratio States and the benefit-ratio States and also in most of the States using the reserve-ratio plan. In the last group, although pay rolls increased, the reserves rose more rapidly than the average pay roll used in computing the reserve ratio, with the result that reserve ratios rose and

tax rates assigned to employers declined.

The average tax rate for employers in experience-rating States did not fall below the 1944 rate primarily because abnormally high rates in Louisiana, Nevada, and New York increased the average rate for all States with experience-rating provisions. In Louisiana, employer taxes remained

at 2.7 percent until October, when the rate reductions first became effective. In Nevada and New York, employers contributed at the standard 2.7-percent rate until July, when the rates were reduced in Nevada and credit allowances became available in New York. If the experience-rating provisions had been in operation for the full year in these three States, their

average rates, and therefore the average for all experience-rating States, would have declined.

For the country as a whole the reduction in revenue as a result of experience rating was, on a percentage basis, nearly eight times as great as it was in 1941. Contributions then were only 5 percent below the amount collectible at the standard rate, while

Table 3.—Selected experience-rating data, by type of plan¹ and State, 1941-45

[Data reported by State agencies; corrected to May 1946]

State	Date experience rating became effective	Maxi- mum rate (per- cent)	Mini- mum rate (per- cent)	Percent of rated accounts with reduced rates					Average employer contribu- tion rate (percent) ¹					Reduction in revenue (percent) ²				
				1941	1942	1943	1944	1945	1941	1942	1943	1944	1945	1941	1942	1943	1944	1945
				States	States	States	States	States	States	States	States	States	States	States	States	States	States	States
Total				54.9	67.4	74.7	84.5	91.0	2.17	1.81	1.77	1.59	1.6	20	24	35	42	41
Reserve-ratio plan:																		
Arizona	Jan. 1942	3.6	1.0		42.7	55.7	71.5	83.4		2.51	2.33	2.12	1.9		7	14	22	30
Arkansas	Apr. 1942	2.7	1.0		51.5	70.4	79.8	86.8		2.47	2.16	2.06	2.1		9	20	24	22
California	Jan. 1941	2.7	1.0	28.0	29.6	37.0	50.8	62.0	2.48	2.45	2.28	2.17	2.1	8	9	16	20	22
Colorado ⁴	Jan. 1942	3.6	.9		67.9	72.1	81.7	88.9		1.98	1.92	1.70	1.6		26	29	37	41
District of Columbia	July 1943	2.7	1			90.0	91.6	94.7			1.71	.50				37	82	85
Georgia	Jan. 1942	2.7	1.0		80.3	80.4	86.5	93.2		2.07	2.11	1.98	1.9		23	22	27	30
Hawaii	Apr. 1941	2.7	0	70.3	97.5	97.6	97.8	98.8	1.65	1.54	1.38	1.21	1.1	39	43	40	55	59
Idaho	July 1943	2.7	1.5			65.6	47.8	83.9			2.53	2.43	2.2			6	10	18
Indiana ⁴	Jan. 1940	2.7	1.35	36.6	57.4	66.0	82.8	86.1	2.29	1.91	1.97	1.85	1.6	15	29	27	32	41
Iowa ⁴	Jan. 1942	3.6	.9		65.9	72.6	82.6	89.2		1.85	1.92	1.68	1.4		31	29	38	48
Kansas	Jan. 1941	2.7	.9	49.1	42.3	72.0	83.8	92.9	2.07	2.20	2.09	2.10	2.1	23	10	23	22	22
Kentucky ⁴	do	2.7	0	16.4	36.6	72.7	77.1	76.4	2.68	2.32	2.18	2.08	1.9	1	14	19	23	30
Louisiana	Oct. 1945	2.7	.9					86.2					2.4					11
Maine	July 1943	2.7	1.5			78.2	71.9	90.2			2.50	2.28	2.2			7	15	18
Missouri ⁴	Jan. 1942	4.1	0		81.5	81.6	84.6	89.3		1.52	1.57	1.73	1.5		44	42	36	44
Nebraska ⁴	Jan. 1940	2.7	.5	51.8	63.6	66.6	84.4	92.5	1.38	1.56	2.02	1.74	1.3	49	42	25	35	52
New Hampshire	Jan. 1941	2.7	.5	46.5	61.2	66.9	76.2	86.1	2.54	2.38	2.21	1.81	1.7	6	12	18	33	37
New Jersey	Jan. 1942	3.6	.9		70.5	68.1	75.3	83.1		1.64	1.87	1.85	1.7		39	31	32	37
New Mexico	do	3.6	.9	58.0	60.6	76.7	84.7		2.17	2.17	1.97	1.9		19	20	27	30	
North Carolina ⁴	Jan. 1943	2.7	.27			24.6	53.0	72.9			2.65	2.44	2.1			2	10	22
North Dakota	Jan. 1942	2.7	.5		67.7	74.7	82.8	90.4		1.95	1.86	1.64	1.5		28	31	39	44
Ohio ⁴	do	3.5	.7		90.2	92.7	95.9	98.1		1.25	1.48	1.49	1.4		54	45	45	48
Oregon	July 1941	4.0	1.0	33.7	45.3	60.7	74.1	85.4	2.65	2.41	2.31	2.23	2.0	2	11	14	17	26
South Carolina ⁴	Jan. 1942	3.0	.9		68.0	75.7	83.2	93.3		1.98	1.74	1.86	1.5		27	36	31	44
Tennessee	July 1944	3.3	1.0			73.3	82.2				2.60	2.3						15
West Virginia	Jan. 1941	2.7	.5	53.8	64.6	85.6	91.3	94.7	2.42	2.14	1.76	1.62	1.4	10	21	35	40	48
Wisconsin ⁴	Jan. 1938	4.0	0	65.1	64.8	66.8	75.2	75.9	1.49	1.55	1.78	1.83	1.0	45	43	34	32	63
Benefit-wage-ratio plan:																		
Alabama	Apr. 1941	2.7	.5	79.4	87.1	95.2	99.2	99.9	2.08	1.59	1.25	1.00	.8	23	41	54	63	70
Delaware	Jan. 1942	3.0	.5		95.2	96.8	98.6	100.0		.98	.79	.68	.6		64	71	75	78
Illinois	Jan. 1943	3.6	.5			80.2	83.8	89.9			1.36	1.16	1.0			50	57	63
Massachusetts	Jan. 1942	2.7	.5		75.1	79.5	91.5	96.0		1.52	1.28	.94	.9		44	53	65	67
Oklahoma	do	2.7	.5	75.3	80.1	91.4	98.1		1.09	1.58	1.37	.8		37	41	49	70	
Pennsylvania	Jan. 1944	2.7	1.0			98.1	99.2				1.21	1.4					55	48
Texas	Jan. 1941	2.7	.5	80.7	87.0	94.1	97.8	99.1	1.60	1.56	1.42	1.24	.9	41	42	47	54	67
Virginia	do	2.7	1.0	90.0	88.4	92.6	98.3	99.8	1.75	1.59	1.50	1.21	1.1	35	41	44	55	59
Benefit-ratio plan:																		
Florida	Jan. 1942	2.7	.7		68.5	70.9	84.5	94.6		2.27	2.24	2.10	2.0		16	17	22	26
Maryland	July 1943	2.7	.9			84.5	92.4	96.2			2.01	1.51	1.4			26	44	48
Michigan ¹¹	Jan. 1942	4.0	1.0		87.5	88.9	94.5	80.5		1.69	1.57	1.17	1.1		44	58	61	30
Minnesota ⁴	Jan. 1944	3.25	.5	59.6	57.3	77.3	77.1	80.3	2.05	1.95	1.56	1.61	1.6	24	28	42	40	41
Nevada	July 1945	4.5	1.0					88.9			2.4							11
Wyoming	Jan. 1942	3.5	.8		39.2	65.6	82.5	95.9		2.66	1.93	1.67	1.4		2	29	38	48
Combined reserve-ratio and benefit-ratio plan:																		
South Dakota ⁴	Jan. 1940	2.7	0	36.3	59.1	72.4	72.3	84.0	1.65	1.57	1.16	1.01	.9	39	42	57	63	67
Vermont	Jan. 1941	2.7	1.5	34.8	50.5	64.0	77.5	84.4	2.46	2.10	2.38	2.01	1.8	9	22	12	25	33
Compensable-separations plan: Connecticut																		
	Apr. 1941	2.7	1.5	83.3	84.8	85.5	84.8	88.8	2.29	2.09	2.09	2.12	2.1	15	23	23	21	22
Pay-roll-variations plan: New York																		
	July 1945	2.7	0					90.9					2.0					26

¹ States classified by type of plan in effect as of computation date of 1945 rates.

² Preliminary estimates for 1945; 1945 data do not include effect of voluntary contributions from employers collected during the year. Effect of special war-risk contribution provisions also excluded from rates for 1943, 1944, and 1945; rates may be materially affected in States which provide for war-risk contributions. See footnotes 4 and 5.

³ Preliminary estimates for 1945. Percent shown for States represents difference between estimated yield at the average rate and at the standard rate as a percent of estimated yield at the standard rate. Excludes effect of additional revenue under war-risk provisions.

⁴ State law provides for voluntary contributions.

⁵ State law provides for war-risk contributions.

⁶ Minimum rate was 1.0 percent until June 30, 1945, when it was changed to 0.5 percent.

⁷ Maximum rate paid for 1945 was 2.7 percent.

⁸ Excludes 1,980 accounts with insufficient experience to be eligible for rate reduction; these accounts received either standard or increased rates.

⁹ Minimum rate was 1.7 percent until June 30, 1945, when it was changed to 0.7 percent.

¹⁰ Estimated.

¹¹ In Michigan the standard rate is 3.0 percent; in all other States it is 2.7 percent.

in 1945 they were about 39 percent below. The sharp decrease was due to the increase in the number of States enacting experience-rating provisions, to changes in existing experience-rating provisions eliminating rates above the standard, and to the low

level of unemployment during the war years.

Variation in Rates Among States, 1945

The average effective employer contribution rates in the eight States

using the benefit-wage-ratio system were, in general, lower than those assigned in other States, ranging from 0.6 percent in Delaware to 1.4 percent in Pennsylvania (table 3). Only three of the eight had average rates in excess of 1.0 percent; consequently,

Table 4.—Percentage distribution of active accounts eligible for rate modification, by employer contribution rate,¹ for each type of experience-rating plan and State, rate years beginning in 1945

[Data reported by State agencies; corrected to May 1946]

Type of plan and State ²	Total number of active accounts ³	Active accounts eligible for rate modification											
		Number	Percent of all active accounts	Percentage distribution by employer contribution rate									
				Rate below standard ⁴	Standard rate ⁴	Rate above standard ⁴	Rate in specified interval						
							0.0	0.1-0.9	1.0-1.8	1.9-2.6	2.7	2.75-3.6	3.7-4.5
Total, 45 States.....	830,514	539,099	64.9	91.0	7.1	1.9	1.9	28.1	49.0	12.0	7.1	1.9	0.1
Reserve-ratio plan.....	311,380	220,949	71.0	84.3	14.4	1.3	4.4	30.6	39.4	9.9	14.4	1.3	.1
Arizona.....	4,156	2,758	66.4	83.4	13.2	3.4	-----	-----	49.2	34.3	13.2	3.4	-----
Arkansas.....	18,153	10,145	55.9	86.8	13.2	-----	-----	-----	57.4	29.4	13.2	-----	-----
California.....	50,701	33,027	65.1	82.0	38.0	-----	-----	-----	42.2	19.8	38.0	-----	-----
Colorado ⁵	3,956	2,884	72.9	88.9	8.0	3.1	-----	-----	65.8	23.1	8.0	3.1	-----
District of Columbia.....	15,731	10,446	66.4	94.7	5.3	-----	-----	-----	92.7	1.6	-----	5.3	-----
Georgia ¹⁰	8,695	5,872	67.5	93.2	6.8	-----	-----	-----	77.9	15.3	6.8	-----	-----
Hawaii.....	5,738	3,110	54.2	98.8	1.2	-----	29.4	35.9	31.1	2.5	1.2	-----	-----
Idaho.....	7,433	4,568	61.5	83.9	16.1	-----	-----	-----	38.4	45.6	16.1	-----	-----
Indiana ⁶	11,366	9,866	86.8	86.1	13.9	-----	-----	-----	63.5	22.6	13.9	-----	-----
Iowa ¹⁰	7,628	5,808	76.1	89.2	7.1	3.7	-----	-----	63.5	25.7	7.1	3.7	-----
Kansas ¹⁰	5,273	3,742	71.0	92.9	7.1	-----	-----	-----	23.8	63.0	6.0	7.1	-----
Kentucky ⁹	8,826	6,510	73.8	76.4	23.6	-----	26.1	-----	50.3	-----	23.6	-----	-----
Louisiana.....	11,870	8,586	72.3	85.2	14.8	-----	-----	70.9	11.3	2.9	14.8	-----	-----
Maine.....	3,538	2,653	75.0	90.2	9.8	-----	-----	-----	71.4	18.8	9.8	-----	-----
Missouri ^{9 10}	14,378	9,209	64.0	89.3	6.6	4.0	17.0	49.3	23.1	-----	6.6	4.0	0
Nebraska ⁶	4,263	3,407	79.9	92.5	7.5	-----	-----	-----	67.7	14.3	10.5	7.5	-----
New Hampshire.....	3,999	2,999	75.0	86.1	13.9	-----	-----	-----	25.4	53.8	6.9	13.9	-----
New Jersey.....	18,515	14,886	80.4	83.1	12.8	4.0	-----	-----	54.8	28.4	12.8	4.0	-----
New Mexico.....	5,885	3,167	53.8	84.7	12.0	3.3	-----	-----	52.5	32.2	12.0	3.3	-----
North Carolina ⁶	8,479	6,887	81.2	72.9	27.1	-----	-----	-----	8.4	40.1	24.4	27.1	-----
North Dakota.....	1,531	1,137	74.3	90.4	9.6	-----	-----	-----	69.0	21.5	9.6	-----	-----
Ohio ¹⁰	50,470	37,183	73.7	98.1	8	1.1	-----	-----	44.4	49.0	4.7	8	1.1
Oregon.....	9,815	7,138	72.7	85.4	14.6	11.0	-----	-----	56.3	29.1	14.6	0	0
South Carolina ⁶	4,335	2,930	67.6	93.3	5.1	1.6	-----	-----	58.1	32.5	2.7	5.1	1.6
Tennessee.....	7,290	5,469	75.0	82.2	7.2	10.5	-----	-----	66.0	16.3	7.2	10.5	-----
West Virginia.....	4,492	3,069	68.3	94.7	5.3	-----	-----	-----	58.2	33.0	5.3	-----	-----
Wisconsin ¹⁰	14,864	13,493	90.8	75.9	20.9	3.2	41.0	-----	35.0	-----	20.9	2.2	1.0
Benefit-wage-ratio plan.....	291,452	159,514	54.7	97.0	1.2	1.9	-----	-----	40.5	53.9	2.5	1.2	1.9
Alabama ¹⁰	6,179	4,290	69.4	99.9	.1	-----	-----	-----	95.3	4.1	.5	.1	-----
Delaware.....	4,551	3,711	81.5	100.0	-----	(12)	-----	-----	99.4	.6	0	(12)	-----
Illinois ¹⁰	40,236	29,549	73.4	89.9	-----	10.1	-----	-----	62.0	21.5	6.4	10.1	-----
Massachusetts.....	73,737	27,151	36.8	96.0	4.0	-----	-----	-----	82.2	10.9	2.9	4.0	-----
Oklahoma ¹⁰	6,474	4,775	73.8	98.1	1.9	-----	-----	-----	73.9	19.9	4.3	1.9	-----
Pennsylvania.....	132,219	69,714	52.7	99.2	.8	-----	-----	-----	97.7	1.5	.8	-----	-----
Texas.....	19,357	13,500	69.7	99.1	.9	-----	-----	-----	93.4	.5	.9	-----	-----
Virginia.....	8,699	6,824	78.4	99.8	.2	-----	-----	-----	99.3	.8	.2	-----	-----
Benefit-ratio plan.....	70,269	51,979	74.0	85.6	5.9	8.5	-----	-----	35.6	42.8	7.3	5.9	7.7
Florida ¹⁰	7,975	4,865	61.0	94.6	5.4	-----	-----	-----	91.9	2.6	5.4	-----	.8
Maryland ¹⁰	12,628	9,513	75.3	96.2	3.8	-----	-----	-----	88.1	6.8	1.4	3.8	-----
Michigan ⁶	18,679	14,669	78.5	80.5	16.1	3.4	-----	-----	78.5	16.1	7.1	3.4	2.5
Minnesota ¹⁰	24,001	18,879	78.7	80.3	-----	19.7	-----	-----	53.6	12.4	14.3	19.7	-----
Nevada.....	2,902	1,588	54.7	88.9	5.4	5.8	-----	-----	63.6	25.3	5.4	4.1	1.7
Wyoming.....	4,084	2,465	60.4	95.9	4.1	-----	-----	-----	0	90.9	5.0	4.1	-----
Combined reserve-ratio and benefit-ratio plan.....	3,353	2,620	78.1	84.2	15.8	-----	-----	-----	14.5	29.6	38.1	2.0	15.8
South Dakota ⁶	1,776	1,391	78.3	84.0	16.0	-----	-----	-----	27.3	55.8	.9	1.1	16.0
Vermont.....	1,577	1,229	77.9	84.4	15.6	-----	-----	-----	-----	80.2	4.1	15.6	-----
Compensable-separations plan: Connecticut.....	12,456	9,432	75.7	88.8	11.2	-----	-----	-----	-----	72.0	16.8	11.2	-----
Pay-roll-variations plan: New York.....	141,604	94,605	66.8	99.9	.1	-----	-----	-----	64.5	35.4	.1	-----	-----

¹ Assigned for rate years beginning in 1945, as of computation date for 1945 rates. Stated as percent of taxable pay roll. Excludes effect of war-risk contributions in 12 States. See footnote 10.

² Classified by type of plan in effect as of computation date for 1945 rates.

³ All rated and unrated accounts; excludes accounts newly subject after computation date for 1945 rates.

⁴ Standard rate is 2.7 percent in all States except Michigan, where it is 3.0 percent.

⁵ Excludes 1,196 Maryland accounts assigned standard rate under war-risk provisions of State law.

⁶ Includes accounts assigned 2.8-percent rate in Michigan. See footnote 4.

⁷ Includes accounts assigned 3.0-percent rate in Michigan. See footnote 4.

⁸ Excludes accounts assigned 2.8-percent and 3.0-percent rate in Michigan. See footnote 4.

⁹ Excludes voluntary contributions.

¹⁰ Data do not include effect of special war-risk contribution provisions in effect in State.

¹¹ Maximum statutory contribution rate under experience rating is 4.0 percent. No rate in excess of 2.7 percent assigned for 1945, however, because of size of balance in State unemployment compensation trust fund.

¹² Less than 0.05 percent.

reductions in revenue ranged from about half to three-fourths of the amount that would have been due at the standard rate.

Rate reductions among the 27 reporting States using the reserve-ratio plan were less pronounced than those in the benefit-wage-ratio States. Only the District of Columbia, with 0.4 percent, had an average rate of less than 1 percent. In 17 States the averages ranged from 1.0 to 1.9 percent, and in 9 States they were 2.0 percent or more. Nine reserve-ratio States experienced revenue reductions of 19-30 percent below the amount due at the standard rate, and in 10 States the reductions were 30-50 percent.

Of the 830,514 active accounts in the 45 experience-rating States for the rate years beginning in 1945, 539,099, or 64.9 percent, were eligible for rate modification (table 4). Almost all (91.0 percent) of the rated accounts—that is, accounts whose tax rate may be varied—paid taxes below the standard rate; 7.1 percent were taxed at the standard rate, and only 1.9 percent were assigned penalty rates higher than the standard.

As in the past, States using the benefit-wage-ratio system assigned reduced rates to the largest proportion of rated accounts. In these eight States, nearly 100 percent of the accounts eligible for rate modification were assigned rates below the standard. Seven of them assigned reduced rates for at least 96 percent of all rated accounts; in the eighth State, the proportion was almost 90 percent.

States with reserve-ratio systems assigned reduced rates to a smaller proportion of rated firms than did benefit-ratio States. Only 10 of the 27 reserve-ratio States granted tax reductions to 90 percent or more of the rated accounts. An additional 13 States reduced rates for 80-90 percent, and 4 for less than 80 percent of their rated accounts.

During 1945, despite the fact that rate computations were based on the favorable pay-roll and benefit levels of the war years, Michigan employers contributed to the unemployment trust fund at an average rate that was considerably higher than the rate for 1944—2.1 percent as compared with 1.17 percent. This increase was the first since experience-rating provi-

sions became effective in the State in 1942 and was caused entirely by a 1945 amendment to the taxing provisions that increased the tax rates for many employers.

This amendment required employers to contribute at a tax rate of at least 3 percent for 1945 and 1946 if their reserve ratios on September 30, 1944, with respect to 1945 rates, and/or their reserve ratios on September 30, 1945, with respect to 1946 rates, were less than 5 percent. The increase affected not only firms with relatively heavy benefit charges against their accounts but also those whose pay rolls had increased at a

very rapid rate. Where such pay-roll increases were greater, proportionately, than increases in a firm's reserve account, the reserve ratio may have declined to less than 5 percent.

The effect of this provision, however, will be substantially offset by another amendment passed in 1946. Under this amendment, certain employers whose tax rates were increased by the 1945 amendment will be entitled to tax-credit allowances against their contributions for 1946, 1947, or probably no later than 1948. It provides, in part, that amounts paid by employers in accordance with the first amendment are to be considered

Table 5.—Active and rated accounts by industry and employer contribution rates assigned under experience-rating provisions, 45 States, rate years beginning in 1945

[Data reported by State agencies; corrected to May 1946]

Employer contribution rate ¹	Total	Mining	Contract construction	Manufacturing	Transportation, communication, and other public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Service industries	Miscellaneous ²
Number of accounts									
Active accounts.....	830,514	15,156	61,386	155,042	33,327	342,587	65,277	149,913	7,826
Rated accounts.....	539,099	9,286	35,308	106,844	21,671	225,511	46,619	91,153	2,707
Rated as percent of active.....	64.9	61.3	57.5	68.9	65.0	65.8	71.4	60.8	34.6
Number with reduced rates ³	490,458	7,478	26,506	96,469	20,095	209,658	44,721	83,455	1,986
Percent of rated accounts with reduced rates ³	91.0	80.5	75.3	90.5	92.7	93.0	95.9	91.6	73.4
Rate assigned:									
0.0.....	10,091	8.6	556	1,798	277	4,889	1,177	1,252	56
0.1-0.9.....	151,463	2,443	6,139	26,299	6,706	68,680	16,385	24,347	534
1.0-1.8.....	264,003	4,129	13,092	52,655	10,917	112,060	23,567	46,526	1,057
1.9-2.6 ⁴	64,851	819	6,802	15,774	2,194	24,008	3,588	11,327	339
2.7 ⁴	35,944	1,216	5,444	7,662	1,263	12,515	1,473	5,840	531
2.75-3.6.....	12,209	564	3,152	2,610	293	3,243	418	1,752	177
3.7-4.5.....	538	29	123	116	21	116	11	109	13
Percentage distribution of rated accounts by industry division									
Rate assigned:									
0.0.....	100.0	0.9	5.5	17.8	2.7	48.4	11.7	12.4	0.6
0.1-0.9.....	100.0	1.6	4.1	17.3	4.4	45.3	10.8	16.1	.4
1.0-1.8.....	100.0	1.6	5.0	19.9	4.1	42.4	8.9	17.6	.4
1.9-2.6 ⁴	100.0	1.3	10.5	24.3	3.4	37.0	5.5	17.5	.5
2.7 ⁴	100.0	3.4	15.1	21.3	3.5	34.8	4.1	16.2	1.5
2.75-3.6.....	100.0	4.6	25.8	21.4	2.4	26.6	3.4	14.4	1.4
3.7-4.5.....	100.0	5.4	22.9	21.6	3.9	21.6	2.0	20.3	2.4
Percentage distribution of rated accounts by rate									
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Rate assigned:									
0.0.....	1.9	.9	1.6	1.7	1.3	2.2	2.5	1.4	2.1
0.1-0.9.....	28.1	26.3	17.4	24.5	30.9	30.5	35.1	26.7	19.7
1.0-1.8.....	49.0	44.5	37.1	49.3	50.4	49.7	50.6	51.0	39.0
1.9-2.6 ⁴	12.0	8.8	19.3	14.8	10.1	10.6	7.7	12.4	12.5
2.7 ⁴	6.7	13.1	15.4	7.2	5.8	5.5	3.2	6.4	19.6
2.75-3.6.....	2.3	6.1	8.9	2.4	1.4	1.4	.9	1.9	6.5
3.7-4.5.....	.1	.3	.3	.1	.1	.1	(0)	.1	.5

¹ Percent of taxable pay roll.

² Agriculture, forestry and fishing, and establishments not elsewhere classified.

³ Includes Michigan accounts assigned 2.8-percent rate. See footnote 4.

⁴ Standard rate for all States except Michigan, where it is 3.0 percent.

⁵ Less than 0.05 percent.

voluntary contributions. Furthermore, these employers are to receive credits against future contributions equal to the difference between (1) that amount of contributions which increased their reserve ratio above the required 5-percent level and (2) the amount they would have paid under the regular experience-rating provisions. In addition, the 1946 amendment permits employers to make voluntary contributions which, if made before January 31, 1947, may be credited to their accounts as of the computation date for 1945 rates or 1946 rates, as specified by the employers. This provision will be of particular importance to the employer whose reserve ratio was only a little less than 5 percent, and whose extra contributions at the 3.0-percent rate are offset by benefit charges so that there would be no increase in his reserve ratio. The employer can now make a voluntary payment, however, which will be credited retroactively to his account and in this way increase his reserve ratio as of the computation date for the 1945 or 1946 rate to the 5-percent level. He would then be entitled to a credit allowance of the amount by which the 3.0-percent contribution exceeds the contribution he would have made under the regular experience-rating provisions. The following hypothetical example illustrates the effect of the 1946 amendment:

Item	September 30, 1945	Calendar year 1946
Taxable pay roll.....	\$100,000	\$100,000
Reserve account.....	\$4,900	.....
Reserve ratio.....	4.9%	.....
Voluntary contributions.....	\$100	.....
New reserve ratio.....	5.0%	.....
Tax rate:		
1945 amendments.....		3.0%
Experience rating.....		1.6%
Contributions:		
1945 amendments.....		\$3,000
Experience rating.....		-\$1,600
Voluntary contributions.....		-\$100
Credit allowance.....		\$1,300

In New York the rate-variations system began its first year of operation in July 1945. During this first year, all but one-tenth of 1 percent of the rated accounts were entitled to credit allowances which would result in an effective tax rate below the standard rate. This high proportion results both from the provisions of the

law and from economic conditions during 1942-44, the period during which a firm's experience largely determined its eligibility for credit allowances. The law provides that, if there is a surplus in the unemployment trust fund, an employer account would be entitled to a credit allowance if the sum of percentage declines in the quarterly total pay roll of the account did not exceed 300 percent. During the war, only a few firms would have been unable to meet this requirement.

Rate Modification and Industry

As in previous years, employers in industries which by their very nature are not subject to seasonal changes in employment or pay rolls and have little labor turn-over benefited more from experience rating than did employers in other industries (table 5). The finance, insurance, and real estate industry division is an example of an industry with highly favorable experience. More than 70 percent of the firms in this industry division were eligible for rate modification—a higher proportion than in any other division—and 95.9 percent of the eligible firms were assigned rates below the standard—again relatively more than in any other industry division. Firms in the usually erratic contract construction division had the lowest proportion of active accounts eligible for rate modification (57.5 percent) and the smallest percent of eligible accounts assigned reduced rates (75.3 percent) of any industry division except the miscellaneous group.

In each of three industry divisions—manufacturing, public utilities, and trade—two-thirds of all active accounts were eligible for rate modification. The mining and service industry divisions ranked just above the construction division, with about 61 percent of all accounts eligible for rate modification.

Reduced rates were assigned to at least 9 out of every 10 rated firms in each of the industry divisions except mining and construction. In the public utilities and trade divisions, about 93 percent of the rated accounts were taxed at rates lower than the standard.

The finance, insurance, and real estate division, in addition to being

eligible for and receiving rate reductions most frequently, also had the highest proportion of accounts—about 38 percent—with tax rates of less than 1.0 percent. At the other extreme, only 19 percent of the rated accounts in the contract construction division had tax rates below 1.0 percent.

Rate Modification and Size of Firm

Twenty States submitted information on the relationship between tax rates assigned for rate years beginning in 1945 and average annual pay roll (tables 6 and 7). The use of taxable wages as a measure of a firm's size is limited in that a worker's wages in excess of \$3,000 are excluded, and as a result the size of large firms is disproportionately reduced, since wages in excess of the first \$3,000 generally constitute a greater proportion of total wages in these firms than in smaller firms.

The data in table 7 reveal little relationship between tax rate and size of firm. The average rate² for all rated accounts in the 20 States was 1.20 percent, ranging from 1.12 percent for firms with pay rolls below \$5,000 to 1.22 percent for firms with pay rolls of \$5,000-9,999 and of \$100,000-999,999.

The percent of rated accounts taxed below the standard rate increased, however, as the pay roll increased and the percent assigned rates above the standard rate decreased: 86.4 percent of all rated accounts were assigned rates below, and 2.3 percent rates above, the standard 2.7-percent rate; 85 percent of the firms with less than a \$5,000 taxable pay roll were assigned below-standard rates, and 5 percent, above-standard rates. Among firms with pay rolls ranging from \$20,000-49,999, 90 percent were taxed at rates below and 1 percent at rates above 2.7 percent; 92 percent of the firms with pay rolls of \$1 million

² Computed by weighting the different rates by number of accounts assigned specific rates; differs from the average rate discussed earlier in this article, which was computed by using amount of taxable wages at each rate as weights. The average rates used in this section assign equal importance to all employers, regardless of size, and represent the rate of the average employer. The rates discussed earlier represent over-all revenue rates.

or more were assigned rates below the standard, while 0.4 percent had above-standard rates.

The data contained in tables 6 and 7 exclude unrated firms, all of which are taxed at 2.7 percent. Unrated firms are largely those which have not been in business long enough to qualify for rate variation under the experience-rating provisions. Since business births and deaths are much more frequent in small firms than in large, relatively more of the former are usually assigned the 2.7-percent rate as unrated firms. It is likely, therefore, that with respect to all firms—rated and unrated—small firms are taxed at higher rates than large firms.

The relationship between average tax rates and size of firm varies considerably from State to State. In some States the smaller firms, in others the larger firms, were assigned the lower average rates. In more than half the States, however, the proportion of accounts in each pay-

roll class taxed at a rate less than 2.7 percent was greater for larger firms. In some States, both the average rate and the proportion of accounts with reduced rates increased as pay rolls increased. The probable explanation for these seemingly contradictory movements is that the small firms receiving rate reductions in these States had sharper reductions, on the average, than those granted the larger firms.

A more stable relationship between tax rate and size of firm might be revealed if experience-rating accounts were cross-classified by tax rates, size of firm, and also by industry. If the data were available for this type of tabulation, it would then be possible to isolate the two major factors affecting employment and wages within a specified firm—size of pay roll and industry.

Of the 20 reporting States, only 8 provided for penalty rates in their tax schedules. In Minnesota, 20 percent of the rated accounts were taxed

at penalty rates. This proportion decreased from 21 percent of firms with pay rolls of less than \$5,000 and 23 percent among the firms with pay rolls of \$5,000–9,999 to 9 percent of the firms with pay rolls of at least \$1 million. Conversely, the proportions assigned rates below 2.7 percent increased from 79 percent of firms with pay rolls below \$5,000 and 77 percent for the firms with pay rolls of \$5,000–9,999 to 91 percent for firms with pay rolls of \$1 million or more.

In Delaware, less than 0.05 percent of the rated accounts were taxed at rates in excess of 2.7 percent. All those firms assigned penalty rates had average annual pay rolls of less than \$5,000; all with pay rolls of \$5,000 or more received rates below 2.7 percent; and the average rate for the State was about 0.5 percent in each pay-roll class. Other States which taxed almost all rated accounts at less than 2.7 percent in each size-of-pay-roll class were Alabama, Ohio, Texas, and Wyoming.

Table 6.—Percent of rated experience-rating accounts with 1945 employer contribution rates below and above 2.7 percent,¹ by average annual taxable pay roll, 20 States²

[Based on data reported by State agencies; corrected to May 1946]

State	All rated accounts		Accounts with pay rolls of—													
			Less than \$5,000		\$5,000–9,999		\$10,000–19,999		\$20,000–49,999		\$50,000–99,999		\$100,000–999,999		\$1,000,000 or more	
	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above
Total, 20 States.....	86.4	2.3	85.1	4.9	86.3	2.0	88.8	1.2	90.0	1.0	89.9	0.9	90.2	0.7	91.7	0.4
States with maximum rate above 2.7 percent:																
Colorado.....	88.9	3.1	85.4	6.4	89.8	1.7	90.3	1.8	91.5	2.6	91.9	1.8	80.5	5.2	84.0	4.0
Delaware.....	100.0	(³)	100.0	(³)	100.0	0	100.0	0	100.0	0	100.0	0	100.0	0	100.0	0
Iowa.....	89.2	4.3	90.8	92.0	92.0		93.0		93.1		91.8		93.7		100.0	
Minnesota.....	80.3	19.7	78.8	21.2	76.7	23.3	82.5	17.5	84.1	15.9	85.7	14.3	90.9	9.1	91.3	8.7
Ohio.....	98.1	1.1	95.9	2.4	98.2	1.0	98.7	.7	99.0	.7	99.1	.5	99.0	.6	100.0	0
South Carolina.....	93.3	6.6	87.9	3.0	95.7	.2	96.3	.6	94.4	.9	90.0	1.2	92.2	1.0	98.4	0
Wisconsin.....	75.9	3.2	74.8	3.4	78.6	1.6	82.7	1.0	85.5	1.1	84.9	1.6	37.5	.8	87.3	.5
Wyoming.....	95.9	4.1	94.7	5.3	97.1	2.9	98.5	1.5	96.8	3.2	98.4	1.6	100.0	0	100.0	0
States with 2.7-percent maximum rate:																
Alabama.....	99.9		99.5		99.7		99.9		100.0		99.8		100.0		100.0	
Arkansas.....	86.8		84.1		91.8		93.9		91.6		91.8		86.7		83.3	
California.....	62.0		50.4		60.3		69.2		72.2		73.9		76.0		79.1	
District of Columbia.....	94.7		91.6		97.1		98.4		99.9		99.1		99.2		100.0	
Georgia.....	93.2		92.4		92.9		95.1		94.2		90.1		91.0		91.2	
Indiana.....	86.1		79.0		83.8		87.8		87.9		86.5		84.4		81.7	
Massachusetts.....	96.0		89.0		97.2		98.3		98.5		98.1		98.1		99.7	
New Hampshire.....	86.1		82.8		88.8		87.3		89.1		89.2		78.5		90.0	
North Carolina.....	72.9		62.2		63.2		72.7		79.5		80.1		74.7		67.8	
Oregon.....	85.4		79.8		84.3		87.0		88.1		86.3		85.6		89.1	
Texas.....	99.1		97.5		99.4		99.8		99.8		99.9		99.9		100.0	
Vermont.....	84.4		80.2		79.8		87.8		85.9		86.4		91.7		90.0	

¹ Standard rate in all States except Michigan, where it is 3.0 percent.

² Data available for only 20 States since reporting of average annual pay roll of experience-rating accounts was on a voluntary basis during the war.

³ Less than 0.05 percent.

⁴ Includes 214 rated accounts assigned rates above 2.7 percent but not classified by average annual pay roll.

⁵ Includes 14 rated accounts assigned rates above 2.7 percent but not classified by average annual pay roll.

⁶ Includes 19 rated accounts assigned rates above 2.7 percent but not classified by average annual pay roll.

⁷ Includes 1,010 rated accounts assigned varying rates but not classified by average annual pay roll.

⁸ Includes 2,420 rated accounts assigned 2.7 percent but not classified by average annual pay roll.

⁹ Includes 376 rated accounts assigned various rates but not classified by average annual pay roll.

¹⁰ Includes 13 rated accounts assigned 2.7 percent but not classified by size of pay roll.

In New York, if the average tax credit is related to 1944 taxable wages, the larger firms profited more under experience rating than did the smaller firms. Firms with an annual taxable pay roll of about \$3,700 paid at a 2.0-percent rate. However, firms with pay rolls of about \$37,000 to \$370,000 contributed at an average tax rate of 1.8 percent, while the largest firms, those with taxable pay rolls of about \$3.7 million or more, were taxed at a rate of 1.7 percent.

Rate Variations by Industry and State

Employers in the same industry paid taxes at average rates that varied widely from State to State. For the 13 selected States for which data are shown in table 8, the average firm in the construction industry paid taxes at the highest contribution rate¹ (2.1 percent), while at the other extreme the average firm in the finance, insurance, and real estate industry contributed at the lowest rate (1.6 per-

cent). In Texas, firms in the construction industry were taxed at an average 1.4-percent rate, while the average in Tennessee and Illinois was 2.5 percent. Similarly, the finance, real estate, and insurance industry—with stable employment and wage levels—also showed sharp differences in average rates as among States. The averages ranged from a minimum of 0.7 percent in Indiana to a maximum of 2.0 percent in Massachusetts. Such wide differences in tax rates for employers in the same industry are due in large part to differences in the various types of experience-rating plans, although they may be partly explained by differences in economic conditions in the States. Local conditions probably account for some variations among widely separated firms in the same industry. Differences locally in labor-market conditions, supplies of raw materials, demands for goods, and so on may cause some fluctuations in employment and affect the contribution rate, but they probably would not result in such extreme fluctuations in tax rates for employers in the same industry.

¹ See footnote 3.

Table 7.—Average employer contribution rates¹ for rated experience-rating accounts by average annual taxable pay roll, 20 States,² 1945

[Based on data reported by State agencies; corrected to May 1946]

State	All rated accounts	Accounts with pay rolls of—						
		Less than \$5,000	\$5,000-9,999	\$10,000-19,999	\$20,000-49,999	\$50,000-99,999	\$100,000-999,999	\$1,000,000 or more
Total, 20 States.....	1.20	1.12	1.22	1.18	1.17	1.19	1.22	1.21
States with maximum rate above 2.7 percent:								
Colorado.....	1.33	1.32	1.27	1.29	1.30	1.33	1.61	1.48
Delaware.....	.50	.61	.50	.50	.50	.50	.50	.50
Iowa.....	³ 1.36	1.28	1.28	1.28	1.26	1.27	1.27	1.17
Minnesota.....	⁴ 1.32	1.12	1.40	1.50	1.66	1.73	1.71	1.64
Ohio.....	1.15	1.17	1.16	1.13	1.12	1.14	1.20	1.28
South Carolina.....	⁵ 1.28	1.33	1.23	1.19	1.25	1.38	1.40	1.27
Wisconsin.....	⁶ 1.02	.97	.93	.87	.80	.86	.77	.79
Wyoming.....	1.19	1.22	1.17	1.13	1.16	1.11	1.10	1.00
States with 2.7-percent maximum rate:								
Alabama.....	.54	.58	.54	.53	.52	.54	.53	.51
Arkansas.....	1.52	1.53	1.51	1.46	1.47	1.48	1.60	1.50
California.....	1.95	2.05	1.97	1.86	1.84	1.84	1.81	1.77
District of Columbia.....	.26	.35	.20	.16	.12	.14	.14	.12
Georgia.....	1.49	1.42	1.50	1.45	1.46	1.55	1.62	1.65
Indiana.....	1.07	1.05	1.05	1.03	1.03	1.08	1.18	1.41
Massachusetts.....	.71	.92	.70	.64	.63	.63	.64	.57
New Hampshire.....	1.38	1.35	1.35	1.37	1.34	1.39	1.64	1.60
North Carolina.....	1.90	1.86	1.98	1.88	1.82	1.88	2.06	2.13
Oregon.....	1.67	1.62	1.67	1.66	1.68	1.72	1.79	1.69
Texas.....	.56	.64	.58	.54	.53	.53	.51	.52
Vermont.....	1.71	1.76	1.77	1.68	1.69	1.68	1.61	1.60

¹ Computed by weighting the different rates by number of accounts assigned these rates and differs from the average rates in table 3, which were computed by using amount of taxable wages at each rate as weights. The average rates used in this table assign equal importance to all employers, regardless of size, and represent the rate of the average employer. The rates in table 3 represent over-all revenue rates.

² See footnote 2, table 6.

³ See footnote 4, table 6.

⁴ See footnote 5, table 6.

⁵ See footnote 6, table 6.

⁶ See footnote 7, table 6.

⁷ See footnote 8, table 6.

⁸ See footnote 9, table 6.

⁹ See footnote 10, table 6.

Effect of War-Risk Provisions, 1944

In 1944, provisions for war-risk taxes became effective in Ohio, thus making 10 States in which such provisions were in operation during that year. These States levied the special taxes on 11.0 percent of all active accounts¹ (table 10). The effect of the war-risk provisions was to increase the contribution rate for 1944 from 1.43 percent (assuming there had been no war-risk taxes) to 1.90 percent in these States (table 9). For all experience-rating States combined, the additional war-risk contributions increased the effective average employer contribution rate for 1944 from 1.59 to 1.74 percent; for the country as a whole, including States without experience rating, the average rate was raised from 1.79 to 1.92 percent. War-risk contributions were greater in 1944 than in 1943 for several reasons: the special tax provisions went into effect in Ohio in 1944; war-risk taxes were in effect throughout 1944 in 10 States but in only 2 throughout 1943; and rising pay rolls increased both the number of liable firms and the pay-roll base to which the special tax was applied.

War-risk contributions in 1944 increased the revenue in the 10 States by about one-third above the amount due under the normal experience-rating provisions. The additional revenue amounted to \$75 million, or more than twice the 1943 increase. Without this increase, 1944 contributions in the war-risk States would have fallen 46 percent below the amount due at the standard rate. With the war-risk contributions, however, the revenue reduction was only 29 percent.

The greatest increase in tax rates occurred in Wisconsin, the only State in which the war-risk revenue at least equaled the reduction in revenue due to experience rating. In this State, chiefly because of the special postwar reserve tax of 0.5 percent imposed on all firms, the average tax rate increased from 1.83 to 3.08 percent. The additional revenue collected under the war-risk provisions amounted to \$17.2 million, or 69 percent of the contributions due under the normal experience-rating provisions, and yielded a surplus of \$5.2 million, 14 percent

¹ Excludes Missouri; data not available.

more than the amount collectible at the standard rate.

In Maryland the rate was increased from 1.51 to 2.28 percent, and, as a consequence, contributions were 51 percent above those due under the normal tax provisions. Iowa's increase in the average rate from 1.68 to 2.40 percent resulted in an increase in revenue of 43 percent above the amount collectible under the normal tax provisions. In Alabama the average increased from 1 percent to 1.31 percent, and revenue rose 31 percent above the normal contributions. In Oklahoma, where the rate increase was the smallest, the tax rose from 1.37 to 1.45 percent, and the increase amounted to only 6 percent of the amount collectible at the normal rate.

Effect of the Reconversion on Tax Rates

Although the end of the war had no effect on 1945 contribution rates and little on 1946 rates, it will have a pronounced effect on rates assigned for 1947 and later years. The degree and direction in which tax rates will change in any one State, however, depend on legal as well as economic factors.

The date at which new rates are computed and become effective will

Table 8.—Average employer contribution rate,¹ by industry division, 13 States, 1945

[Based on data reported by State agencies; corrected to May 1946]

State	Total, all industries	Industry division						
		Mining	Contract construction	Manufacturing	Transportation, communication, and other public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Service industries
Total, 13 States.....	1.8	1.9	2.1	1.7	1.7	1.7	1.6	1.8
Alabama.....	1.2	1.4	1.5	1.2	1.3	1.1	.8	1.3
California.....	2.2	2.1	2.4	2.2	2.1	2.2	1.9	2.2
Illinois.....	1.5	2.4	2.5	1.4	1.3	1.4	1.1	1.5
Indiana.....	1.3	2.0	2.1	1.3	1.3	1.1	.7	1.3
Kentucky.....	1.8	2.3	2.2	1.8	2.1	1.7	1.3	1.9
Maryland.....	1.4	1.7	1.9	1.4	1.4	1.4	1.2	1.4
Massachusetts.....	1.9	1.4	2.1	1.5	1.9	1.9	2.0	2.3
Minnesota.....	1.6	2.1	2.4	1.8	1.7	1.6	1.3	1.4
New Jersey.....	1.7	1.4	2.2	1.9	1.6	1.5	1.4	1.7
Ohio.....	1.6	2.0	2.0	1.5	1.6	1.5	1.2	1.6
Pennsylvania.....	1.8	2.0	2.0	1.7	1.9	1.8	1.7	1.8
Tennessee.....	2.0	2.3	2.5	2.2	2.1	1.9	1.4	2.0
Texas.....	1.2	1.1	1.4	1.1	1.2	1.2	1.0	1.3

¹ Computed by weighting the different rates by number of accounts assigned these rates and differs from the average rates in table 3, which were computed by using amount of taxable wages at each rate as weights. The average rates used in this table

assign equal importance to all employers, regardless of size, and represent the rate of the average employer. The rates in table 3 represent over-all revenue rates.

postpone for varying periods the effect of changes in the wage and employment levels. Changes in rates due to the war's end will be delayed in some States as much as 17 months after the end of hostilities. The special war-risk provisions were ineffective at the close of 1945 in about half the States that had such provisions in effect at the beginning of the

year. In the others, fewer firms are likely to be liable for the extra tax because of declines in pay rolls. The rates will therefore tend to decline in those States unless other factors counterbalance the disappearance of war-risk taxes.

Changes in pay rolls will affect employer contribution rates significantly. In all experience-rating

Table 9.—Effect of war-risk provisions on employer contribution rates and revenue, by State, 1943 and 1944

[Based on data reported by State agencies; corrected to May 1946]

State	Effective date of war-risk provisions	Average employer contribution rate (percent)				Reduction in revenue under "normal" experience-rating provisions				Additional revenue from war-risk contributions ¹				Net reduction in revenue			
		Excluding war-risk contributions ¹		Including war-risk contributions		Amount (in thousands)		Percent		Amount (in thousands)		As percent of contributions under "normal" experience-rating provisions		Amount (in thousands)		Percent	
		1943	1944	1943	1944	1943	1944	1943	1944	1943	1944	1943	1944	1943	1944	1943	1944
All States.....		2.04	1.79	2.09	1.92	\$403,778	\$566,887	25	34	\$32,549	\$75,265	3	7	\$371,229	\$491,622	23	30
All experience-rating States.....		1.77	1.59	1.85	1.74	403,778	566,887	35	42	32,549	75,265	4	10	371,229	491,622	32	37
All war-risk States.....		1.59	1.43	1.86	1.90	122,220	197,004	41	46	34,549	75,265	19	33	89,671	122,339	30	29
Alabama.....	Apr. 1943	1.25	1.00	1.42	1.31	9,475	11,768	54	63	1,116	2,131	14	31	8,359	9,637	47	52
Florida.....	July 1943	2.24	² 2.10	2.33	2.25	2,632	² 2,650	17	² 22	523	² 914	4	² 7	2,109	² 2,736	14	² 17
Illinois.....	do.....	1.36	1.16	1.53	1.66	57,695	72,569	50	57	7,142	23,558	12	43	50,553	49,001	43	38
Iowa.....	do.....	1.92	1.68	2.20	2.40	3,786	5,203	29	38	1,385	3,672	15	43	2,401	1,531	18	11
Maryland.....	do.....	2.01	1.51	2.49	2.28	7,799	12,581	26	44	5,487	8,160	24	51	2,312	4,421	8	16
Minnesota.....	Jan. 1943	1.56	1.61	2.29	2.33	9,296	9,286	42	40	5,961	6,124	47	45	3,335	3,162	15	14
Missouri.....	July 1943	1.57	1.73	1.68	2.02	14,241	12,601	42	36	1,400	3,750	7	17	12,841	8,851	38	25
Ohio.....	Jan. 1944	1.58	1.49	1.71	1.71	51,449	51,449	45	49	9,355	9,355	15	15	42,094	42,094	37	37
Oklahoma.....	Jan. 1943	1.58	1.37	1.80	1.45	5,400	6,971	41	49	1,052	429	14	6	4,348	6,142	33	46
Wisconsin.....	July 1943	1.78	1.83	² 2.44	² 3.08	11,896	11,936	34	32	8,483	17,172	² 37	² 69	² 3,413	² (5,239)	² 10	² (14)

¹ Average employer contribution rate excluding war-risk contributions represents actual ratio (percent) of employer contributions to taxable wages reported by State agency and adjusted to exclude estimated additional contributions from war-risk provisions.

² Estimated increase in revenue over amount collectible on 1943 taxable wages in absence of war-risk contribution provisions.

³ Preliminary estimate.

⁴ Includes effect of special "postwar reserve" contribution of 0.5 percent.

⁵ Represents an increase over revenue due at the standard rate.

Table 10.—Number of active and war-risk accounts, 10 States, 1943-44

(Based on data reported by State agencies; corrected to May 1946)

State	1943			1944 ¹		
	All active accounts	War-risk accounts		All active accounts	War-risk accounts	
		Number	Percent of active accounts		Number	Percent of active accounts
All war-risk States.....	137,343	7,636	5.6	169,737	18,646	11.0
Alabama.....	6,146	236	3.8	6,753	192	2.8
Florida.....	7,470	693	9.3	7,483	1,203	16.1
Illinois.....	42,356	689	1.6	39,717	2,551	6.4
Iowa.....	7,832	326	4.2	7,498	676	7.7
Maryland.....	14,591	2,999	20.6	12,836	3,382	26.3
Minnesota.....	26,423	297	1.1	24,650	274	1.1
Missouri.....	12,939	647	5.0	(¹)	(¹)	(¹)
Ohio.....				50,245	7,969	15.9
Oklahoma.....	6,155	249	4.0	6,514	592	9.1
Wisconsin ²	13,432	1,500	11.2	14,041	1,908	13.6

¹ Excludes Missouri; war-risk data not available.² Excludes accounts subject only to the 0.5-percent

special postwar reserve tax (this tax applicable to all accounts).

plans the amount of pay roll is an important element in the index used to measure an employer's experience. Changes in rates caused by changes in pay rolls will vary with the type of experience-rating plan. As explained below, with given pay-roll fluctuations, rates tend to rise under some plans and fall under others.

Regardless of pay-roll movements, in many States war firms whose pay rolls have declined during reconversion will pay at increased rates because of their less favorable employment experience during 1945 and 1946. However, this increase may not occur in all cases in reserve-ratio States or in States which imposed special war-risk taxes. In such States, rates may decline as pay rolls decline.

For a considerable majority of the experience-rating States, one of the determining factors in setting tax rates is the amount of accumulated reserves, which is strongly related to the amount of benefits charged in previous periods.

The substitution of new employer accounts for what are now surplus war-employer accounts will also result in changes in rates. Firms which were established before or during the war and have qualified for reduced rates may find it necessary to dissolve, and the new firms taking their place will be taxed at the standard rate. This condition will tend to push rates upward. In terms of net effect on the average rate in a State, the dissolution of war-born firms will probably be

more important than the appearance of new firms. The former are probably large establishments, whose pay roll constitutes a substantial portion of the pay roll in the State, whereas the new firms are likely to have considerably smaller pay rolls.

During the war, both the firms producing for the military market and those producing for the civilian market found it necessary and profitable to maintain full production for a much larger part of the year than they had done before the war. After the war, however, except for the first months of feverish activity to catch up with war-induced shortages, a return to the prewar pattern of seasonal employment may be reasonably expected. Thus, even if the coming years are periods of high employment, seasonal lay-offs may be expected to increase claims loads and to raise employers' contribution rates.

The most important single factor that determines how rates vary under given economic conditions is the general type of experience-rating system in operation in a State. Therefore, in the following discussion of possible changes in the level of average rates, the reconversion impact is analyzed separately in terms of each of the existing plans for modifying contribution rates.

States With Reserve-Ratio Plan

Under the reserve-ratio method for determining employer contribution rates, in use in 27 States, rates are varied in accordance with the

ratio between the amount in the employer's reserve account, which usually consists of the excess of accumulated past employer contributions over the sum of the past benefits paid from his account, and his average annual pay roll. As this ratio increases, the employer becomes eligible for lower rates and, conversely, as the ratio decreases, he becomes liable for higher rates.

Under the reserve-ratio system, the effect of sudden changes in any 1 year is cushioned by the very nature of the method used in determining rates. The use of cumulated contributions and benefits and average annual pay roll lessens the sensitivity of the ratio to sudden fluctuations in employment and wage levels. Thus, during the first stages of declines or rises in such levels, there may be little or no change in the reserve ratio, and therefore in the rates assigned. For these reasons, rates determined under reserve-ratio plans may be slower to react to changing conditions than rates assigned under any other plan, except the pay-roll-variations plan.

If, however, there is a decrease in average pay roll and (1) the employer's reserve account increases (contributions in the past year are greater than benefits in the same year), or (2) the employer's reserve account remains the same (contributions equal benefits during the past year), or (3) the employer's reserve account decreases (contributions are less than benefits during the past year) but by a smaller percent than does the average annual pay roll, then the employer's reserve ratio goes up and a lower rate is assigned.

This situation has probably occurred during the early phases of reconversion. Total pay rolls and employment have declined, and benefit payments increased, but for a short time the drop in rates assigned to employers will probably continue. In the following period, however, when smaller contributions and greater benefit payments than during the war years may be expected, it is probable that tax rates will be stabilized, after a slight increase.

States With Benefit-Wage-Ratio Plan

In eight States an employer's contribution rate is based on his benefit-

wage ratio modified by the "State experience factor." The benefit-wage ratio for an employer is the ratio between the amount of benefit wages—that is, base-period wages—earned with this employer by all workers who receive unemployment insurance payments during the corresponding benefit year and the total amount of wages he pays. Benefit wages for a particular worker are counted only once regardless of the number of payments he receives during the given benefit year. To compute the employer's tax rate, his benefit-wage ratio is multiplied by the "State experience factor," which is the percent that total benefit payments are of total benefit wages in the State for the past 3 years.

The benefit-wage ratio reacts very quickly to changes in employment and wage levels, since under given conditions the two components of the ratio change in opposite directions. As a result of declines in pay rolls and increases in the total amount of benefit wages connected with the rise in the number of beneficiaries during the reconversion, the ratio between benefit wages and total wages has undoubtedly increased and will result in a higher tax rate for the average employer in 1947.

In addition, increases in the State experience factor undoubtedly occurred and will tend to increase the tax rates still further. During the war, duration of benefits was very short. As a result the ratio between benefits and benefit wages was held down, and the State experience factor was unusually low. With the end of hostilities, duration of benefits lengthened, and increases in the State experience factor will follow.

Rates assigned during 1946 in some of the benefit-wage-ratio States will undoubtedly be lower than those for 1945. The 1945 rates were based on experience with employment and benefit payments in 1942, 1943, and 1944; rates for 1946 will be based on experience during 1943, 1944, and 1945. In 1945, in some of these States, the ratio of benefit payments to pay rolls was lower than for 1942, and therefore substituting the more favorable year (1945) for the less favorable year (1942) will result in lower tax rates. The benefit-wage-ratio plan is designed to replenish the unemployment

trust fund by the amount of benefits withdrawn in the preceding year. Replenishment, however, does not actually take place, primarily because the rate structure is too heavily weighted with low rates. The maximum tax rate prevents collections from some employers from equaling benefit payments to their employees; the revenue lost as a result of this feature is generally greater than the amount made up by taxing other employers at the minimum rate, where a minimum rate above zero is provided for.

At the same time, in States where the ratio of benefits to pay rolls increased in 1945, the rates for 1946 will probably rise above those assigned for 1945. Nevertheless, the plan will also push rates upward in 1947 and 1948, as the years 1946 and 1947 replace the years 1943 and 1944 in the base period which determines the tax rate. In 1946 and 1947, both the number of persons receiving benefits and the duration of the benefits will have increased well over those in the war years, while pay rolls may decrease from wartime peaks; tax rates must therefore rise in order to replenish even partially the withdrawals from the fund.

In summary, as a result of experience during the reconversion period, the benefit-wage ratio and the State experience factor will increase and thus result in increases in the contribution rate beginning with the 1947 rate year. The reaction to changing conditions in these States will occur much more quickly and to a greater degree than in the reserve-ratio States.

States With Benefit-Ratio Plan

In 1945 the benefit-ratio formula was used without major modification in six States. According to the provisions of this system, the ratio between benefits charged to a particular account over the preceding 3-year period and the total taxable wages of the account for the same period are directly converted into a contribution rate.

This type of index is more sensitive to fluctuation in wages, employment, and so on than any of the other indexes used to determine contribution rates. Like the benefit-wage-ratio method, the benefit ratio is so com-

posed that there are no offsetting factors that would prevent sudden changes in the assigned rates as employment conditions change. As the numerator (benefits) increases, the denominator (wages) decreases, so that the ratio and the rate go up. In addition, the benefit ratio is directly influenced by changes in the duration of benefit payments. Under this type of ratio the wage decline in the reconversion period, combined with the increase in benefits, raised the benefit ratio and therefore the rates that will be assigned to employers for 1947.

States With Combined Reserve-Ratio and Benefit-Ratio Plan

In only two States—South Dakota and Vermont—are the potentially wide fluctuations due to the use of the benefit-ratio formula modified by combination with a reserve-ratio requirement.

In South Dakota, if, among other conditions, an employer's reserve account is not less than 7.5 percent of his average pay roll for the 3 preceding years, the employer is eligible for rate reductions based on his benefit ratio, in accordance with a schedule established by the Unemployment Compensation Commission. If, however, the reserve ratio is at least 10 percent, the contribution rate is set at zero. Thus, if an employer's reserve ratio remains within the range of 7.5-10 percent, his contribution rate will fluctuate with his benefit ratio.

If, however, pay rolls decrease more rapidly than reserves, employers' reserve ratios may rise to 10 percent and their contribution rates drop to zero. Thus, the tendency for rates to rise as benefits increase and pay rolls decline will be wholly or partly offset by the decline to zero in the tax rates of employers whose reserve ratios rise.

Under the Vermont law, an employer is eligible for rate reductions if, in addition to other factors, his reserve ratio is at least 2.5 percent of pay rolls for the last 3 preceding calendar years or 7.5 percent of pay rolls in the last preceding calendar year, whichever is higher. Reduced rates are then assigned on the basis of the employer's benefit ratio in accordance with a schedule established by the Unemployment Compensation Commission. Thus, for qualified Ver-

mont employers, characteristics of the benefit-ratio plan discussed above will generally prevail.

However, changes in the over-all average tax rate will be more or less marked in Vermont than in benefit-ratio States, depending on the relationship between employer pay rolls and reserves. For example, an upward movement in contribution rates will be diminished if employer reserves fall less rapidly than pay rolls, since more employers will meet the 7.5-percent reserve requirement and become eligible for reduced rates. An upward tendency will be accelerated, however, if reserves fall more rapidly than pay rolls; in this case, fewer employers will qualify for rate reductions and in this way will push the average rate upward.

State With Compensable-Separations-Ratio Plan

One State, Connecticut, uses compensable separations to measure an employer's experience with unemployment. However, the individual employer's tax rate is determined by comparing his experience with that of all other employers and is therefore affected by their experience as well as his own. Rate variations from year to year can occur only for individual firms, since employers are ranked each year by the size of their compensable-separations ratio and rates are assigned so as to maintain a constant average rate for the State as a whole from year to year.

The compensable-separations ratio is defined as total wages for the 3 most recently completed years, divided by the sum of 1 week's benefit payments to former workers who received benefits during those years. Employers with the highest ratios are assigned the lowest contribution rates. Tax rates for 1946 undoubtedly increased for employers in such industries as shipbuilding, where the end of the war brought drastic curtailment of operations. Although many of the workers found new jobs in a very short time, the Connecticut plan does not take into account directly the duration of benefits, and therefore, even if these workers received only one benefit check, the experience rating of their former employers was adversely affected. Employers in the iron and steel industry and manu-

facturers of chemical and allied products were similarly affected by the war's end and therefore were probably assigned higher rates in 1946.

Employers in the service industries, in general, increased their employment after the war was over, and their 1946 contribution rates are likely to be lower than their rates for 1945 and earlier years. Among the construction firms, too, employment increased above wartime levels, and as a consequence tax rates will be based on more favorable conditions. Manufacturers of textiles and wearing apparel maintained relatively stable employment levels during reconversion and probably benefited at the cost of employers whose pay rolls declined.

State With Pay-Roll-Variations Plan

In July 1945 the pay-roll-variations plan became effective in New York. This plan, which differs in many respects from the other experience-rating systems, provides that an employer's experience with unemployment shall be measured on the basis of three factors: year-to-year percentage declines in taxable pay roll; quarter-to-quarter percentage declines in total pay roll; and number of years the employer has been liable for contributions. The greatest weight is assigned the first factor, and the last carries the least weight.

In effect, the provisions specify that an employer who has had the smallest yearly and quarterly percentage declines in pay roll and who has been subject to contributions for the longest time, as compared with all other employers, shall be entitled to the largest reduction in his contribution rate. The rate reduction is effected by granting the employer a credit allowance on his contributions for the current rate year. This credit is a proportion (based on his experience as measured above) of the surplus amount in the unemployment trust fund as of the beginning of the current rate year. The surplus is defined as that amount which is in excess of 10.8 percent of taxable wages for the preceding year; 60 percent of this surplus may be distributed as credit allowances. None of the surplus will be distributed, however, unless it is at least 10 percent of the base amount.

Since the provisions were effective

as of July 1945, the result in the immediate reconversion period has been to reduce rates below the 2.7-percent rate effective in preceding years. This reduction occurred regardless of changes in levels of employment, unemployment, and wages. The average rate in the State for the following years also may be expected to fall below 2.7 percent. Not only will the 40 percent of the previous year's surplus be applied to the 1946 rate year, but even though benefits increase and thereby reduce the fund, taxable wages will also fall and thereby reduce the amount required before a surplus can be declared.

From the point of view of the individual employer, however, the prospects for rate reductions vary with the firm's own postwar progress. For the firms whose plant and pay rolls were swollen by war orders, rates will not fall (after July 1946) as much as for other firms. Firms whose employment and production were held down or even decreased during and because of the war will expand to meet the demands for consumer goods. These plants will not experience pay-roll declines and therefore will gain, at the expense of the war firms, with respect to credit allowances and rate reductions.

Conclusion

Employer contribution rates will react most quickly to changes due to reconversion in States with benefit-ratio, combined benefit and reserve-ratio, and benefit-wage-ratio plans. Average rates in these States may be expected to increase in the first year in which rates are based on a substantial amount of the employer's postwar experience. In the reserve-ratio States, rates will react more slowly; during the first years after reconversion, they may even continue to decline but are likely to be stabilized shortly.

In New York the mere fact that the system became effective in July 1945 makes a fall in rates inevitable. In Connecticut, because of the provisions in the law, the average State-wide rate will be unchanged though there will, of course, be considerable shuffling up and down the rate scale among individual employers.

For the United States as a whole

(Continued on page 52)

Employment Security

Unemployment Claims and Benefits

State Programs

Initial claims for State unemployment insurance rose to 580,000 during September (table 1). The chief factors contributing to the increase of 39,000 were lay-offs caused by material shortages and secondary unemployment resulting from labor disputes. That a good portion of the new unemployment represented by the increase in initial claims was temporary is evidenced by the drop of 709,000 in continued claims, to 3,895,000 for the month. The actual number of weeks of unemployment compensated during the month dropped 19 percent to 3,488,000. The average weekly number of beneficiaries to receive compensation for all types of unemployment dropped from 975,000 to 839,000, and benefit payments totaled \$63.2 million, as compared with \$78.0 million in August. The normal seasonal factors, such as reduction in farm activity and the return of teenagers to school, had little effect on State unemployment insurance claims, since agricultural workers as such are not covered by State laws and students

are usually ineligible for State unemployment benefits.

Although an increase in initial claims was reported by 20 States, the bulk of the rise occurred in the larger industrial States. New York's increase of 14,950 was attributed to unemployment resulting from the trucking and maritime disputes, as well as scattered lay-offs caused by material shortages. Michigan's 10,500 initial claims were due to mass lay-offs in automobile and automobile-body plants which lacked parts. In California, part of the increase of 9,500 was due indirectly to the maritime dispute, particularly in the San Francisco Bay area. Initial claims rose in each one of the States in Region VIII—Iowa, Minnesota, Nebraska, North Dakota, and South Dakota—where unemployment in the meat-packing industry jumped after price ceilings were again put on meat products. Declines in several States were prevented by claims from former war workers laid off shortly after V-day who were entering their second benefit years.

The decline of 709,000 in continued claims represented decreases in all but 4 States—Hawaii, Iowa, Nebraska, and South Dakota. It is significant

that 3 of these 4 States are among the midwestern cattle States which reported increases in initial claims following the return of OPA. Illinois, Michigan, New York, and Pennsylvania reported the largest decreases in continued claims, ranging from 68,000 to 89,000. Colorado, Connecticut, Idaho, Maine, Rhode Island,

Table 2.—Unemployment in week ended September 14, 1946, as reflected by continued claims for unemployment insurance¹ as percent of average monthly covered employment in 1945

Region and State	Claims ²	Average monthly covered employment ³ (in thousands)	Claims as percent of covered employment
Total.....	963,197	27,903.1	3.5
Region I:			
Connecticut.....	10,288	564.0	1.8
Maine.....	4,536	156.4	2.9
Massachusetts.....	42,418	1,314.7	3.2
New Hampshire.....	1,190	107.7	1.1
Rhode Island.....	7,273	212.5	3.4
Vermont.....	732	55.7	1.3
Region II-III:			
Delaware.....	1,346	75.7	1.8
New Jersey.....	46,044	1,116.0	4.1
New York.....	201,329	3,760.9	5.4
Pennsylvania.....	89,526	2,601.7	3.4
Region IV:			
District of Columbia.....	2,400	188.7	1.3
Maryland.....	12,095	465.8	2.6
North Carolina.....	8,790	524.1	1.7
Virginia.....	7,358	416.2	1.8
West Virginia.....	8,914	325.9	2.7
Region V:			
Kentucky.....	10,494	308.2	3.4
Michigan.....	65,533	1,354.8	4.8
Ohio.....	31,869	1,857.2	1.7
Region VI:			
Illinois.....	66,732	2,067.9	3.2
Indiana.....	10,056	779.1	1.3
Wisconsin.....	5,886	638.2	.9
Region VII:			
Alabama.....	14,836	394.0	3.8
Florida.....	9,637	317.6	3.0
Georgia.....	6,726	463.5	1.5
Mississippi.....	3,523	155.0	2.3
South Carolina.....	4,176	247.1	1.7
Tennessee.....	18,396	465.8	3.9
Region VIII:			
Iowa.....	5,566	288.1	1.9
Minnesota.....	8,063	455.7	1.8
Nebraska.....	2,208	138.0	1.6
North Dakota.....	492	29.7	1.7
South Dakota.....	846	37.1	2.3
Region IX:			
Arkansas.....	12,504	193.0	6.5
Kansas.....	7,350	223.6	3.3
Missouri.....	27,565	698.4	3.9
Oklahoma.....	13,773	241.2	5.7
Region X:			
Louisiana.....	15,214	356.8	4.3
New Mexico.....	792	59.8	1.3
Texas.....	17,985	958.0	1.9
Region XI:			
Colorado.....	2,128	157.6	1.4
Idaho.....	751	66.6	1.1
Montana.....	1,547	71.1	2.2
Utah.....	2,688	96.1	2.8
Wyoming.....	282	39.6	.7
Region XII:			
Arizona.....	2,016	81.4	2.5
California.....	109,324	1,973.1	5.5
Nevada.....	651	29.2	2.2
Oregon.....	8,093	279.0	2.9
Washington.....	31,254	505.6	6.2

¹ Estimated number of continued claims for week in which the 8th of the month falls.

² Represents workers in covered employment in the pay period of each type (weekly, semimonthly, etc.) ending nearest the 15th of the month.

Table 1.—Summary of unemployment compensation operations, September 1946

Item	Number or amount	Amount of change from—	
		August 1946	September 1945
Initial claims.....	1 580,000	+39,000	-505,000
New.....	1 376,000	+20,000	-569,000
Additional ²	1 204,000	+15,000	+56,000
Continued claims.....	1 3,895,000	-709,000	-829,000
Waiting-period ³	1 320,000	-15,000	-727,000
Compensable.....	1 3,574,000	-696,000	-102,000
Weeks compensated.....	1 3,488,000	-815,000	+836,000
Total unemployment.....	1 3,371,000	-804,000	+813,000
Other than total unemployment ⁴	1 117,000	-11,000	+20,000
First payments.....	1 214,000	-59,000	-547,000
Exhaustions.....	1 124,000	-11,000	+106,000
Weekly average beneficiaries ⁵	1 839,000	-136,000	+227,000
Benefits paid ⁶	1 \$63,215,000	-\$14,832,000	+\$12,775,000
Benefits paid since first payable ⁷	1 \$3,537,343,656		
Funds available as of Sept. 30 ⁸	1 \$6,792,278,546	-\$24,020,567	-\$172,275,514

¹ Includes estimates for the District of Columbia; data not reported.

² Excludes Texas, which has no provision for filing additional claims; also Maryland before April 1946, Ohio before September 1946, and Wisconsin before February 1946.

³ Excludes Maryland, which has no provision for filing waiting-period claims.

⁴ Includes estimates for the District of Columbia; also Pennsylvania for total and other than total unemployment.

⁵ Excludes Montana, which has no provision for payment of other than total unemployment; also Pennsylvania before January 1946.

⁶ Before July 1946, computed from weeks compensated in the calendar month; beginning July 1946, computed from weeks compensated in the weeks ended during the month.

⁷ Gross: not adjusted for voided benefit checks and transfers under interstate combined wage plan.

⁸ Net: adjusted for voided benefit checks and transfers under interstate combined wage plan. Includes Indiana and Kentucky as of Aug. 31, 1946.

⁹ Includes Indiana and Kentucky as of Aug. 31, 1946.

Vermont, and Virginia had relative declines of more than 30 percent.

The downward trend of the average weekly number of beneficiaries which began in February continued through September (table 1). Weekly

data on the number of recipients for all types of unemployment and for total unemployment are shown in table 6. The Labor Day holiday accounts for the jump for all types of unemployment from 820,000 in

the week ended September 7 to 867,000 the week of September 14, as many claimants were rescheduled to the following week when their reporting day fell on Labor Day. The number dropped each week thereafter, total-

Table 3.—Initial claims received in local offices, by State, September 1946

[Data reported by State agencies; corrected to Oct. 15, 1946]

Region and State	Total ¹				New	
	All claimants	Amount of change from—		Women claimants	Inter-state as per cent of total	All claimants
		August 1946	September 1945			
Total ²	580,000	+39,000	-505,000	239,000	7.8	376,000
Region I:						
Conn.	5,179	-758	-17,361	2,267	6.4	3,476
Maine	1,858	-1,383	-1,619	784	9.0	1,142
Mass.	22,224	-1,971	-13,994	9,656	3.9	15,666
N. H.	1,202	-3,830	-889	631	15.3	849
R. I.	3,571	-729	-4,272	1,420	5.6	2,413
Vt.	323	-41	-740	199	21.1	221
Region II-III:						
Del.	1,025	-54	-1,123	521	13.5	818
N. J.	35,862	+6,834	-23,299	14,982	3.4	26,455
N. Y.	113,965	+14,947	-28,586	51,132	4.6	59,080
Pa.	40,574	+5,077	-56,297	14,543	7.4	27,456
Region IV:						
D. C.	(³)	(³)	(³)	(³)	(³)	(³)
Md.	6,556	+1,230	-13,070	1,979	6.5	5,330
N. C.	5,041	-2,378	-2,149	2,955	10.4	4,007
Va.	3,519	-716	-2,003	1,513	14.5	2,942
W. Va.	6,083	-1,062	-5,035	1,787	16.3	5,003
Region V:						
Ky.	5,823	-1,928	-8,468	2,645	25.2	4,915
Mich.	52,134	+10,475	-67,833	17,701	2.6	28,853
Ohio	18,245	+7,019	-95,266	9,188	5.5	14,239
Region VI:						
Ill.	36,990	+9,005	-36,772	15,418	5.6	23,645
Ind.	10,224	-1,958	-42,264	3,858	5.3	5,071
Wis.	4,666	+1,224	-6,205	1,866	7.6	2,788
Region VII:						
Ala.	6,954	-2,424	-7,843	2,632	9.7	5,652
Fla.	5,812	-522	-2,158	2,452	28.1	4,890
Ga.	4,620	-576	-8,711	2,251	9.2	3,182
Miss.	2,158	-405	-998	954	32.9	1,880
S. C.	2,407	-348	-87	1,056	23.7	2,040
Tenn.	7,878	-173	-6,897	4,111	13.4	6,587
Region VIII:						
Iowa	6,757	+3,317	+648	2,802	6.4	5,714
Minn.	4,018	+755	-4,142	1,364	14.5	2,759
Nebr.	3,524	+1,949	+1,351	1,229	5.6	2,735
N. Dak.	231	+3	+44	98	48.9	164
S. Dak.	1,195	+841	+937	385	12.4	1,145
Region IX:						
Ark.	4,052	-1,473	-4,700	1,697	42.1	3,652
Kans.	6,569	+2,012	-5,533	2,848	13.2	4,780
Mo.	23,577	-1,228	-6,020	9,285	12.0	13,077
Okla.	6,573	-319	-4,458	2,860	24.0	5,197
Region X:						
La.	7,447	-435	-4,588	2,085	12.5	5,895
N. Mex.	446	-118	+99	161	57.2	411
Tex.	9,582	-1,861	-7,282	3,695	15.2	9,582
Region XI:						
Colo.	1,133	-906	-786	533	42.4	969
Idaho	299	-204	+87	171	56.2	236
Mont.	1,158	+262	+625	602	26.6	906
Utah	985	-438	+365	419	19.7	700
Wyo.	207	+6	+144	90	39.1	180
Region XII:						
Ariz.	1,538	-210	-1,360	648	48.9	1,293
Calif.	76,015	+9,507	-6,959	33,018	5.5	44,894
Nev.	882	+4	+190	255	55.3	476
Oreg.	4,905	-770	-2,855	1,733	13.9	2,607
Wash.	13,350	+791	-8,286	3,686	6.4	9,319
Regions XIII and XIV:						
Alaska	78	+31	+42	17	14.1	41
Hawaii	548	+483	+542	250	1.6	534

¹ Includes additional claims except in Texas, which has no provision for filing additional claims.

² Includes estimate for the District of Columbia; data not reported.

³ Data not reported.

⁴ Since Wisconsin has no provision for a benefit year, a new claim is a claim requiring a determination of benefit amount and duration, as well as eligibility for benefits, on a per employer basis.

Table 4.—Continued claims received in local offices, by State, September 1946

[Data reported by State agencies; corrected to Oct. 15, 1946]

Region and State	Total ¹				Compensable	
	All claimants	Amount of change from—		Women claimants	Inter-state as per cent of total ²	All claimants
		August 1946	September 1945			
Total ²	3,595,000	-709,000	-829,000	1,776,000	9.7	3,574,000
Region I:						
Conn.	29,347	-15,719	-174,667	11,884	9.5	27,586
Maine	19,508	-14,891	+6,945	5,872	9.8	18,799
Mass.	180,457	-23,643	+8,025	68,209	3.9	167,385
N. H.	5,463	-1,036	-1,615	2,663	24.2	4,995
R. I.	32,829	-15,497	-8,856	9,668	6.1	31,550
Vt.	3,398	-1,848	-1,001	2,270	27.4	3,171
Region II-III:						
Del.	5,548	-888	-2,862	2,298	14.1	5,237
N. J.	201,412	-32,860	-150,137	88,451	5.1	182,198
N. Y.	841,988	-88,945	+289,779	412,971	4.1	752,933
Pa.	348,299	-83,321	+11,069	133,884	7.0	330,239
Region IV:						
D. C.	(³)	(³)	(³)	(³)	(³)	(³)
Md.	51,282	-15,691	-17,096	17,446	3.5	51,282
N. C.	33,201	-2,159	+800	20,570	16.1	29,857
Va.	29,983	-24,848	+16,868	15,350	19.3	28,559
W. Va.	49,481	-11,291	+17,371	15,544	25.5	47,463
Region V:						
Ky.	49,692	-15,307	-20,033	21,419	36.6	46,880
Mich.	245,540	-67,606	-470,236	139,477	3.5	228,042
Ohio	135,243	-30,558	-77,832	64,782	5.9	110,068
Region VI:						
Ill.	294,776	-68,450	-219,317	138,243	5.1	283,336
Ind.	42,829	-14,288	-137,330	17,929	11.6	39,139
Wis.	25,339	-6,011	-52,038	13,728	12.9	22,999
Region VII:						
Ala.	57,118	-10,628	-5,053	17,745	11.0	52,324
Fla.	39,655	-6,191	+11,923	18,390	32.0	37,269
Ga.	27,933	-5,628	-30,179	14,290	13.2	23,126
Miss.	15,396	-4,065	+1,387	7,180	35.4	15,759
S. C.	11,528	-3,598	+1,883	5,561	34.4	10,088
Tenn.	74,629	-10,025	+13,214	38,265	17.4	70,799
Region VIII:						
Iowa	23,338	+1,647	-8,205	11,472	17.5	16,002
Minn.	17,992	-4,397	-17,134	7,190	22.9	16,851
Nebr.	9,674	+440	+1,859	4,640	19.2	6,821
N. Dak.	2,179	-471	+1,576	1,423	63.0	2,118
S. Dak.	4,066	+1,316	+3,308	2,025	41.8	3,028
Region IX:						
Ark.	51,769	-12,474	+27,394	22,091	36.4	50,342
Kans.	29,017	-3,215	-10,898	13,970	27.5	25,717
Mo.	117,057	-16,064	-19,370	47,648	18.3	100,393
Okla.	39,225	-7,738	-11,920	16,395	49.3	36,219
Region X:						
La.	41,051	-5,911	+6,687	12,006	20.0	37,082
N. Mex.	3,406	-1,224	+2,459	1,280	72.3	3,328
Tex.	47,760	-9,013	-12,139	19,767	30.2	41,153
Region XI:						
Colo.	8,039	-5,338	+4,084	4,146	43.1	7,652
Idaho	3,774	-1,840	+2,655	2,898	40.7	3,670
Mont.	6,528	-1,008	+4,948	3,523	47.3	5,924
Utah	11,350	-2,449	+9,703	5,381	12.9	10,936
Wyo.	1,258	-294	+1,079	709	44.9	1,177
Region XII:						
Ariz.	8,467	-1,900	-2,726	3,891	53.1	8,095
Calif.	442,833	-41,458	+66,148	224,906	6.8	414,471
Nev.	2,751	-431	+1,858	1,408	51.3	2,663
Oreg.	30,286	-10,454	+14,133	12,031	18.0	28,369
Wash.	129,752	-11,731	+90,393	48,962	3.9	122,888
Regions XIII and XIV:						
Alaska	112	-47	+76	75	42.9	104
Hawaii	624	+281	+612	219	11.4	325

¹ Includes waiting-period claims except in Maryland, which has no provision for filing such claims; in some States includes claims for more than 1 week.

² Total continued claims in some States includes claims for more than 1 week.

³ Includes estimate for the District of Columbia; data not reported.

⁴ Data not reported.

ing 807,000 in the week ending September 28.

During the month, 214,000 individuals received their first benefit check. At the same time 124,000 persons exhausted all benefit rights and received their final checks. The fact

that more new persons were added to the rolls than were dropped, while the average weekly number of beneficiaries and compensable claims went down, indicates that a sizable proportion of the claimants on the claims rolls were reemployed during the

month. Women claimants made up 43 percent of the claimants receiving their first benefit check and a slightly higher proportion (47 percent) of all those who exhausted benefit rights. In Michigan, 10,100 of the 13,300 persons exhausting rights were women.

Table 5.—Number of weeks compensated and amount of benefits paid for all types of unemployment, and average weekly payment for total unemployment, by State, September 1946

[Data reported by State agencies; corrected to Oct. 15, 1946]

Region and State	Weeks compensated for unemployment				Benefits paid ¹				Average weekly payment for total unemployment	
	All claimants	Amount of change from—		Women claimants	All claimants	Amount of change from—		Women claimants	All claimants	Women claimants
		August 1946	September 1945			August 1946	September 1945			
Total ²	3,488,000	-815,000	+836,000	1,576,000	\$63,215,000	-\$14,832,000	+\$12,775,000	\$27,251,000	\$18.27	\$17.45
Region I:										
Connecticut.....	51,467	-24,714	-32,620	19,760	1,061,043	-517,811	-652,083	357,545	20.77	18.31
Maine.....	17,517	-15,387	-8,222	4,805	285,306	-240,756	-136,352	61,092	16.56	13.05
Massachusetts.....	148,758	-83,219	+26,443	55,036	3,194,248	-1,116,352	+854,807	1,024,881	21.92	19.29
New Hampshire.....	3,656	-1,671	-188	1,696	47,216	-23,688	-6,621	20,022	13.30	12.36
Rhode Island.....	30,979	-17,592	-6,971	8,874	489,316	-318,928	-156,751	139,613	17.11	16.50
Vermont.....	2,465	-1,629	+583	1,715	38,519	-27,541	+8,481	25,399	16.26	15.55
Region II-III:										
Delaware.....	4,664	-1,021	-1,193	1,655	72,106	-16,440	-26,185	24,452	15.84	14.83
New Jersey.....	177,593	-60,690	-1,019	73,379	3,539,449	-1,227,934	-35,308	1,462,251	20.13	20.26
New York.....	770,596	-68,779	+398,574	388,428	14,834,435	-1,332,062	+7,478,864	7,201,455	19.25	18.54
Pennsylvania.....	323,149	-87,456	+132,152	(³)	5,772,684	-1,548,084	+2,322,870	(³)		
Region IV:										
District of Columbia ³										
Maryland.....	64,891	-22,172	-10,367	22,441	1,202,125	-411,478	-218,871	391,653	18.89	17.94
North Carolina.....	20,296	-5,434	-1,531	12,969	249,162	-64,532	-33,890	143,645	12.41	11.20
Virginia.....	28,682	-25,089	+20,786	15,591	382,256	-320,054	+281,817	198,990	13.42	12.87
West Virginia.....	33,742	-15,535	+13,905	9,423	523,001	-245,712	+218,753	123,834	15.65	13.51
Region V:										
Kentucky.....	43,532	+10,858	+19,949	18,353	493,007	+120,147	+192,534	190,143	11.46	10.44
Michigan.....	227,566	-74,729	-237,990	130,850	4,523,761	-1,492,949	-5,768,112	2,601,163	19.90	19.90
Ohio.....	103,693	-37,720	+19,092	45,040	1,823,529	-705,443	+338,708	746,876	17.73	17.01
Region VI:										
Illinois.....	266,887	-87,372	+19,145	116,176	4,791,630	-1,598,937	+146,813	1,980,860	18.39	17.49
Indiana.....	45,424	-13,898	-9,388	18,300	801,597	-251,250	-177,245	301,384	18.01	16.80
Wisconsin.....	16,825	-6,678	-22,741	9,599	274,102	-115,132	-370,846	143,656	16.00	15.41
Region VII:										
Alabama.....	51,576	-11,796	+9,288	14,430	807,337	-188,063	+99,362	187,013	15.75	12.97
Florida.....	29,588	-6,299	+14,359	13,266	398,856	-89,463	+185,174	168,906	13.62	12.84
Georgia.....	18,654	-5,452	-4,150	9,831	253,040	-101,848	-110,895	118,684	13.63	12.06
Mississippi.....	8,490	-3,314	+2,644	4,318	101,829	-39,391	+24,663	47,305	12.39	11.47
South Carolina.....	9,295	-1,603	+6,914	4,012	130,716	-22,546	+101,838	46,463	14.16	11.64
Tennessee.....	51,941	-8,360	+28,270	27,705	661,022	-111,481	+348,795	333,639	12.81	12.15
Region VIII:										
Iowa.....	11,542	-3,328	-5,877	4,972	176,402	-45,108	-113,431	72,136	15.49	14.67
Minnesota.....	22,523	-8,928	+5,388	8,165	358,267	-142,798	+110,529	117,297	16.17	14.60
Nebraska.....	6,897	-1,045	+8,957	3,253	107,853	-13,181	+60,060	50,460	15.56	14.97
North Dakota.....	781	-73	+712	511	11,937	-420	+11,143	7,041	16.12	14.68
South Dakota.....	823	+243	+600	470	11,162	+4,605	+8,573	6,102	13.78	13.21
Region IX:										
Arkansas.....	39,272	-449	+31,230	16,154	514,195	+4,772	+407,737	198,323	13.12	12.28
Kansas.....	22,407	-6,834	+5,598	9,682	323,677	-98,551	+109,821	133,750	14.64	14.01
Missouri.....	72,259	-15,029	+4,020	32,074	1,161,143	-229,085	+3,114	467,401	16.36	14.81
Oklahoma.....	30,069	-20,740	+5,013	12,225	488,630	-335,842	+48,147	191,783	16.37	15.81
Region X:										
Louisiana.....	45,718	-5,691	+21,028	13,041	680,513	-76,138	+269,981	168,264	15.29	13.20
New Mexico.....	1,368	-155	+1,223	504	18,067	-1,629	+16,204	6,017	13.53	11.96
Texas.....	49,846	-15,446	+27,834	16,964	727,975	-244,104	+407,095	212,284	14.81	12.62
Region XI:										
Colorado.....	5,696	-3,783	+4,741	2,879	78,371	-52,866	+65,530	38,358	13.80	13.37
Idaho.....	2,483	-1,288	+1,806	2,127	33,385	-18,534	+24,837	28,112	13.71	13.30
Montana.....	2,718	-1,147	+2,234	1,481	34,771	-14,465	+28,636	17,458	12.79	11.79
Utah.....	10,552	-533	+9,465	4,681	239,307	-14,776	+214,212	100,182	23.02	21.76
Wyoming.....	985	-246	+952	375	18,127	-4,350	+17,652	6,364	18.58	17.15
Region XII:										
Arizona.....	4,425	-1,868	-2,804	1,951	62,091	-26,011	-44,695	26,221	14.11	13.51
California.....	424,962	-65,559	+187,096	212,843	7,928,874	-1,258,510	+3,353,556	3,944,844	18.84	18.81
Nevada.....	1,908	-647	+1,484	906	34,113	-11,421	+26,658	15,690	18.02	17.34
Oregon.....	27,632	-14,252	+17,954	10,509	463,040	-234,019	+302,997	168,871	16.94	16.28
Washington.....	140,470	-1,585	+118,711	57,655	2,828,423	-21,025	+2,363,714	1,012,110	19.78	17.32
Regions XIII and XIV:										
Alaska.....	587	-271	+422	128	9,175	-4,290	+6,600	1,866	15.75	14.63
Hawaii.....	342	-331	+328	106	7,250	-6,120	+6,972	1,930	21.48	18.37

¹ Gross; not adjusted for voided benefit checks and transfers under interstate combined wage plan.

² Includes estimates for the District of Columbia; also Pennsylvania for weeks

compensated and benefits paid to women claimants and for average weekly payment for total unemployment.

³ Data not available.

Unemployment during the week ended September 14, as represented by the ratio of continued claims to average covered employment in 1945, was 3.3 percent. The decrease for September marks the sixth successive month in which this ratio has declined—from a high of 6.8 percent in March to 4.6 percent in July and 3.9

percent in August. Among the States showing the greatest declines were Connecticut, from 3.1 percent to 1.8 percent; Maine, from 5.1 percent to 2.9 percent; Virginia, from 3.0 to 1.8 percent; and West Virginia, from 4.5 to 2.7 percent. Only 6 States had higher ratios than in August.

Benefit payments have dropped at

a rough average of \$10 million a month since March. In September the drop was almost \$15 million, with all but 3 States—Arkansas, Kentucky, and South Dakota—reporting declines. These payments compensated for 3.5 million weeks of all types of unemployment. The amounts paid in the majority of the States were still above those paid in September a year earlier. In New York, benefits totaled \$14.8 million as compared with \$7.4 million in September 1945. The outstanding exception was Michigan, where the \$4.5 million paid in benefits during September 1946 was less than half the September 1945 amount. Women beneficiaries received 43 percent of all benefits paid in the country in September.

During the July-September period, 89 cents was disbursed in benefits for every dollar collected (table 7). Only 11 States paid out more in benefits than they collected, as against 21 in the preceding quarter, when the ratio was 119 percent for the Nation as a whole. Benefits exceeded collections in Alabama by 92 percent; in Massachusetts, 88 percent; in Michigan, 86 percent; and in Illinois and Oklahoma, 85 percent. At the other extreme were 10 States, chiefly western agricultural and mining States, which reported benefit-collection ratios of less than 1 to 4.

As a result of the excess of collections over benefits, funds available for benefits rose to \$6.8 billion, \$56.4 million more than the amount on hand on June 30, 1946 (table 7). New York's funds rose \$21.1 million; Ohio's, \$8.6 million; and New Jersey's, \$7.8 million.

Interstate Claims

About 8 percent of the initial claims filed in September were interstate claims received as agent State, a slightly lower proportion than in August. Interstate claims activities constituted a large part of claims operations in the Midwest and Southwest States. In Idaho, Nevada, and New Mexico, 55 percent or more of the initial claims filed were interstate agent claims. Nearly 10 percent¹ of

Table 6.—Number of individuals¹ compensated for unemployment during weeks ended in September 1946

[Data reported by State agencies; corrected to Oct. 15, 1946]

Region and State	Weeks ended—							
	Sept. 7	Sept. 14	Sept. 21	Sept. 28	Sept. 7	Sept. 14	Sept. 21	Sept. 28
	For all types of unemployment				For total unemployment			
Total ²	820,000	867,000	863,000	807,000	794,000	837,000	834,000	779,000
Region I:								
Connecticut.....	13,094	17,442	10,309	8,265	12,817	17,125	10,038	8,044
Maine.....	5,433	4,285	4,154	3,065	5,066	3,808	3,632	3,270
Massachusetts.....	38,180	38,808	36,697	34,421	36,984	37,444	35,134	32,945
New Hampshire.....	819	1,137	836	830	791	1,077	794	764
Rhode Island.....	8,829	7,988	8,826	6,496	4,770	6,942	5,905	5,570
Vermont.....	626	802	545	425	589	743	487	376
Region II-III:								
Delaware.....	1,171	1,171	1,078	1,049	1,115	1,099	1,048	1,002
New Jersey.....	40,674	44,855	40,701	44,688	39,897	43,840	39,793	43,450
New York.....	176,099	200,336	180,917	181,499	173,229	196,690	177,660	178,504
Pennsylvania.....	70,499	70,861	103,537	70,355	(³)	(³)	(³)	(³)
Region IV:								
District of Columbia ⁴	15,690	15,064	16,351	15,073	15,036	14,289	15,668	14,376
Maryland.....	3,413	5,603	5,333	5,063	3,308	5,508	5,173	4,962
North Carolina.....	7,618	7,593	6,150	5,782	7,450	7,428	6,001	5,641
Virginia.....	7,974	8,186	7,359	8,465	7,192	7,081	6,517	7,135
West Virginia.....	7,974	8,186	7,359	8,465	7,192	7,081	6,517	7,135
Region V:								
Kentucky.....	11,660	5,503	14,378	11,991	11,425	5,403	13,916	11,483
Michigan.....	46,239	65,130	53,540	53,588	44,190	60,383	49,458	49,826
Ohio.....	27,749	27,475	25,153	22,568	27,198	26,885	24,617	22,098
Region VI:								
Illinois.....	63,861	64,696	64,753	60,896	60,690	60,957	61,183	57,332
Indiana.....	23,919	8,630	6,304	6,671	22,798	8,226	6,008	6,263
Wisconsin.....	3,972	4,627	3,809	4,099	3,663	4,305	3,512	3,710
Region VII:								
Alabama.....	10,481	14,813	12,696	11,476	10,228	14,430	12,312	11,152
Florida.....	6,777	7,724	7,775	5,744	6,558	7,541	7,566	5,592
Georgia.....	3,644	5,520	4,280	4,487	3,585	5,438	4,211	4,388
Mississippi.....	1,766	2,657	2,320	1,623	1,598	2,393	2,038	1,390
South Carolina.....	1,700	2,449	2,394	2,650	1,667	2,413	2,372	2,608
Tennessee.....	11,141	12,351	13,817	12,772	10,910	12,147	13,083	12,565
Region VIII:								
Iowa.....	2,011	2,833	2,818	3,331	1,891	2,713	2,698	3,208
Minnesota.....	5,160	5,882	4,881	5,529	4,918	5,648	4,729	5,279
Nebraska.....	1,167	1,657	1,523	1,897	1,119	1,588	1,425	1,829
North Dakota.....	232	136	227	186	176	110	208	168
South Dakota.....	128	147	213	257	124	131	203	250
Region IX:								
Arkansas.....	9,067	10,755	9,575	8,193	8,972	10,672	9,457	8,116
Kansas.....	4,761	5,188	5,415	6,265	4,595	4,998	5,165	5,996
Missouri.....	15,473	18,723	17,943	16,871	14,949	18,262	17,346	16,446
Oklahoma.....	3,408	12,180	8,266	6,215	3,356	11,882	8,123	5,981
Region X:								
Louisiana.....	11,478	13,647	10,033	10,087	11,343	12,542	9,777	9,347
New Mexico.....	313	356	304	258	308	339	298	252
Texas.....	10,966	13,788	12,356	11,656	10,586	13,288	11,888	11,260
Region XI:								
Colorado.....	1,356	1,641	1,342	1,193	1,304	1,606	1,311	1,175
Idaho.....	958	431	460	563	932	422	448	547
Montana.....	604	702	682	570	694	702	632	570
Utah.....	1,708	3,293	2,547	2,605	1,648	3,157	2,400	2,394
Wyoming.....	274	247	200	247	258	242	195	238
Region XII:								
Arizona.....	1,066	1,223	1,205	704	1,050	1,203	1,184	689
California.....	107,721	82,898	106,485	102,002	102,994	79,166	102,184	98,234
Nevada.....	290	572	502	447	287	553	491	437
Oregon.....	6,791	7,986	7,000	5,855	6,625	7,763	6,822	5,671
Washington.....	29,724	33,951	35,174	35,083	29,066	33,211	34,243	34,337
Regions XIII and XIV:								
Alaska.....	219	116	19	233	215	113	19	226
Hawaii.....	119	42	96	85	118	38	91	81

¹ Number of individuals is assumed to be identical with number of weeks compensated. This assumption may result in a slight overstatement of number of individuals.

² Includes estimates for the District of Columbia; also Pennsylvania for total unemployment.

³ Data not available.

⁴ This ratio is not comparable in all States since 12 States take intrastate continued claims on a biweekly basis while all interstate claims are taken on a single-week basis.

Table 7.—State unemployment insurance funds available for benefits as of September 30, 1946, contributions and interest, benefits paid and ratio of benefits to contributions, July-September 1946,¹ by State

[Corrected to Oct. 15, 1946]

Region and State	Funds available for benefits ² (in thousands)		Income, July-September 1946 ³			Benefits paid, July-September 1946 ⁴	Benefits as percent of contributions	
	As of September 30, 1946	Amount of change from June 30, 1946	Contributions and interest ⁵	Contributions	Interest		July-September 1946	Cumulative since beginning of program
Total.....	\$6,792,279	+ \$56,386	\$287,946,168	\$255,592,626	\$32,353,542	\$329,238,000	89.2	36.5
Region I:								
Conn.....	175,635	+3,629	8,031,639	7,193,490	838,149	4,402,686	61.2	28.2
Maine.....	37,326	+468	1,804,009	1,625,873	178,136	1,335,831	82.2	37.8
Mass.....	198,527	-4,683	7,335,068	6,374,037	961,031	12,017,854	188.5	48.0
N. H.....	24,815	+793	981,699	865,587	116,112	188,334	21.8	30.4
R. I.....	75,005	+1,893	4,286,890	3,936,039	350,851	2,394,113	60.8	41.4
Vt.....	13,570	+393	577,841	514,390	63,451	184,400	35.8	25.8
Region II-III:								
Del.....	13,764	+103	379,059	313,772	65,287	275,595	87.8	29.9
N. J.....	427,062	+7,763	21,518,545	19,482,421	2,036,124	13,755,114	70.6	31.4
N. Y.....	1,004,539	+21,065	69,489,875	64,719,184	4,770,691	48,425,170	74.8	40.7
Pa.....	583,413	-1,249	19,617,767	16,835,822	2,781,945	20,869,961	123.9	37.9
Region IV:								
D. C.....	44,687	+271	747,894	535,753	212,141	477,278	89.1	22.0
Md.....	115,631	-1,313	3,652,684	3,099,487	553,197	4,965,382	160.2	37.5
N. C.....	117,965	+3,458	4,439,926	3,879,850	560,076	981,909	25.3	21.6
Va.....	68,656	+731	2,706,075	2,379,562	326,513	1,975,292	83.0	31.7
W. Va.....	70,080	+321	2,547,298	2,214,408	332,890	2,226,053	100.5	37.4
Region V:								
Ky.....	91,604	(¹⁰)	2,673,236	2,242,148	431,091	957,613	42.7	22.2
Mich.....	211,428	-6,714	9,995,980	8,995,600	1,000,380	16,709,937	185.8	63.2
Ohio.....	477,163	+8,570	16,655,539	14,378,430	2,277,109	8,085,607	66.2	25.4
Region VI:								
Ill.....	484,317	-6,265	12,415,812	10,087,703	2,328,109	18,680,919	185.2	36.4
Ind.....	176,103	(¹⁰)	4,243,429	3,414,964	828,465	2,361,128	69.1	35.7
Wis.....	189,139	+1,216	2,382,474	1,476,098	906,376	1,166,230	79.0	19.0
Region VII:								
Ala.....	56,197	-1,081	1,738,977	1,467,630	271,347	2,820,435	192.2	47.3
Fla.....	62,370	+1,475	2,853,029	2,557,503	295,526	1,378,371	58.9	32.8
Ga.....	83,908	+2,456	3,459,733	3,061,960	397,773	1,003,522	32.8	25.7
Miss.....	30,480	-1,492	1,858,187	1,714,483	143,704	366,377	21.4	27.8
S. C.....	42,893	+1,154	1,395,301	1,393,632	201,669	440,854	31.6	22.4
Tenn.....	90,805	+2,057	4,456,513	4,024,544	431,969	2,399,965	59.6	34.6
Region VIII:								
Iowa.....	66,200	+1,486	2,184,505	1,871,006	313,499	698,626	37.3	27.5
Minn.....	97,157	+2,547	4,114,304	3,660,061	454,243	1,566,903	42.8	36.6
Nebr.....	27,219	+354	748,879	619,010	129,869	394,850	63.8	24.5
N. Dak.....	5,802	+201	244,945	217,868	27,077	43,597	20.0	30.8
S. Dak.....	6,973	+163	189,803	156,563	33,240	26,524	16.9	19.9
Region IX:								
Ark.....	31,436	+171	1,357,445	1,206,753	150,692	1,186,887	98.4	30.7
Kans.....	51,140	+490	1,825,279	1,581,741	243,538	1,346,230	88.0	31.1
Mo.....	157,574	+714	4,992,983	4,236,618	756,365	4,278,516	101.0	28.8
Okl.....	41,726	-728	1,274,939	1,082,864	192,075	2,000,302	185.0	41.6
Region X:								
La.....	78,751	+430	2,746,333	2,370,830	375,503	2,316,719	97.7	38.2
N. Mex.....	12,085	+606	666,362	609,348	57,014	60,024	9.9	26.5
Tex.....	155,901	+2,161	5,010,980	4,265,744	745,236	2,850,168	66.8	29.2
Region XI:								
Calif.....	38,957	+1,125	1,527,461	1,343,212	184,249	402,575	30.0	25.8
Idaho.....	17,088	+746	881,866	801,592	80,274	135,974	17.0	33.1
Mont.....	21,553	+1,025	1,179,034	1,078,966	100,068	154,361	14.3	31.2
Utah.....	27,552	+784	1,457,207	1,326,483	130,724	673,052	50.7	32.8
Wyo.....	9,015	+280	349,895	307,188	42,707	60,493	22.6	30.8
Region XII:								
Ariz.....	21,025	+645	888,888	789,066	99,822	243,564	30.9	29.4
Calif.....	712,111	+2,751	31,262,815	27,858,864	3,393,951	28,501,898	102.3	39.1
Nev.....	11,356	+340	477,715	424,048	53,667	137,253	32.4	25.8
Oreg.....	67,683	+1,192	3,173,975	2,850,937	323,038	1,982,041	69.5	37.2
Wash.....	138,384	+205	8,182,503	7,510,724	671,779	7,977,528	106.2	35.0
Regions XIII and XIV:								
Alaska.....	8,825	+296	335,991	294,872	41,119	40,420	13.7	18.2
Hawaii.....	19,682	+407	437,597	343,878	93,719	30,887	9.0	5.3

¹ Data reported by State agencies except interest, which is credited and reported by Treasury.² Represents sum of balances at end of month in State clearing account and benefit-payment account and in State account in Federal unemployment trust fund.³ Represents contributions, penalties, and interest collected from employers, and contributions from employees. Adjusted for refunds and for dishonored contribution checks. Current contribution rates (percent of taxable wages) are: for employers, 2.7 percent except in Michigan, where rate is 3.0 percent; for employees, 1.0 percent in Alabama and New Jersey. Experience rating, operative in 45

States, modifies above rates. All States collect contributions either wholly or in part on quarterly basis.

⁴ Interest represents earnings of funds in State accounts in Federal unemployment trust fund and is credited at end of each quarter.⁵ Not adjusted for voided benefit checks and transfers under interstate combined wage plan.⁶ As of Aug. 31, 1946, in Indiana and Kentucky.⁷ Excludes data for Indiana and Kentucky.⁸ Excludes September data for Indiana and Kentucky.⁹ Includes estimated data for Indiana and Kentucky.¹⁰ Comparable data not available.

the continued claims in the country as a whole were interstate agent claims.

During August, initial interstate claims dropped from 58,000 to 47,300, the lowest number received for any month in 1946. The relative decline from July to August in these claims—18 percent—was not as great, however, as the decline for all initial claims—23 percent. A total of \$6.4 million was paid in August to cover 350,900 weeks of unemployment. California still led by a wide margin in the number of weeks compensated and amount paid for interstate claims,

Table 8.—Nonfarm placements by State, September 1946

U. S. Employment Service region and State	Total	Women	Veterans ¹
Total.....	531,899	157,856	191,946
Region I:			
Connecticut.....	7,678	2,753	2,979
Maine.....	5,884	1,067	1,346
Massachusetts.....	8,514	3,063	3,703
New Hampshire.....	2,946	534	830
Rhode Island.....	2,685	1,065	1,033
Vermont.....	1,430	308	608
Region II:			
New York.....	73,941	33,090	14,841
Region III:			
Delaware.....	1,626	746	287
New Jersey.....	11,599	5,717	3,205
Pennsylvania.....	23,513	7,294	11,163
Region IV:			
District of Columbia.....	2,105	682	754
Maryland.....	5,514	1,383	2,105
North Carolina.....	13,632	4,965	4,710
Virginia.....	6,790	2,582	2,207
West Virginia.....	3,592	1,180	1,340
Region V:			
Kentucky.....	4,132	1,292	1,641
Michigan.....	17,654	3,431	8,739
Ohio.....	31,146	10,073	9,956
Region VI:			
Illinois.....	22,367	5,002	7,428
Indiana.....	12,085	4,083	3,923
Wisconsin.....	11,546	3,469	4,859
Region VII:			
Alabama.....	14,213	3,288	5,058
Florida.....	10,822	3,766	4,378
Georgia.....	10,175	2,761	3,909
Mississippi.....	6,640	1,659	2,665
South Carolina.....	8,816	2,222	2,898
Tennessee.....	12,192	3,318	4,587
Region VIII:			
Iowa.....	8,236	1,890	3,863
Minnesota.....	11,901	2,841	4,401
Nebraska.....	3,562	797	1,420
North Dakota.....	1,432	198	613
South Dakota.....	1,330	266	675
Region IX:			
Arkansas.....	7,897	2,267	2,499
Kansas.....	6,339	1,386	2,806
Missouri.....	11,223	3,243	4,922
Oklahoma.....	7,770	1,748	2,980
Region X:			
Louisiana.....	4,869	1,274	2,030
New Mexico.....	2,750	427	1,068
Texas.....	36,933	8,737	15,509
Region XI:			
Colorado.....	6,471	899	3,090
Idaho.....	3,683	630	1,762
Montana.....	2,179	302	1,086
Utah.....	3,855	1,171	1,463
Wyoming.....	1,236	183	595
Region XII:			
Arizona.....	3,720	866	1,174
California.....	49,297	12,857	19,154
Nevada.....	2,379	706	738
Oregon.....	10,479	1,720	3,962
Washington.....	11,121	2,625	4,554

¹ Represents placements of veterans of all wars.

Source: Department of Labor, U. S. Employment Service.

New York was second, and Illinois, third.

Veterans' Readjustment Allowances

Initial claims for veterans' readjustment allowances decreased from 602,000 in August to 447,000 in September. Only Alaska reported an increase, from 36 to 77. Continued claims of 6.1 million declined 14 per-

cent in September, as compared with a 9 percent decrease in August. Alaska and Hawaii, with increases of 15 and 22 percent, respectively, were the only States to deviate from the national trend.

Slightly more than \$124 million was paid for 6.2 million weeks of unemployment, as compared with \$145 million for 7.3 million weeks of unem-

ployment in August. In Hawaii, Kentucky, and Ohio, both benefits and weeks compensated exceeded the August figures.

Nonfarm Placements

September placements of almost 532,000 were 2 percent more than in

Table 9.—Interstate claims received, weeks compensated by interstate payments, and amount of interstate benefit payments, by liable State, August 1946

[Data reported by State agencies; corrected to Oct. 4, 1946]

Region and liable State	Initial		Continued		Weeks compensated	Benefit payments
	Total	Women	Total	Women		
Total.....	47,254	22,517	444,743	214,986	350,917	\$6,370,952
Region I:						
Conn.....	1,048	503	11,828	5,580	9,345	196,915
Maine.....	114	74	969	567	793	11,409
Mass.....	754	434	5,084	2,465	4,219	98,027
N. H.....	104	50	642	325	516	7,120
R. I.....	300	157	3,650	1,710	3,340	56,818
Vt.....	34	20	398	216	326	5,902
Region II-III:						
Del.....	144	59	991	367	923	15,475
N. J.....	1,504	764	13,950	7,185	12,358	246,803
N. Y.....	2,459	1,395	30,888	19,050	34,392	668,635
Pa.....	1,840	712	12,910	5,618	9,642	175,914
Region IV:						
D. C.....	412	244	3,181	1,881	2,166	37,552
Md.....	862	411	25,350	11,429	22,004	426,365
N. C.....	657	433	3,385	2,105	2,149	26,218
Va.....	461	233	6,651	3,464	5,546	70,782
W. Va.....	427	114	3,520	1,242	2,445	37,761
Region V:						
Ky.....	282	130	4,126	1,766	2,777	33,511
Mich.....	2,098	933	22,754	11,194	17,926	348,235
Ohio.....	1,785	774	21,910	9,426	14,501	277,803
Region VI:						
Ill.....	2,822	1,372	34,109	18,181	24,337	454,700
Ind.....	1,533	579	11,343	3,414	10,935	204,388
Wis.....	236	100	1,967	891	1,322	24,143
Region VII:						
Ala.....	649	228	5,142	1,663	3,563	63,949
Fla.....	953	484	7,027	3,827	4,723	65,940
Ga.....	542	259	3,897	2,286	2,390	36,001
Miss.....	246	103	1,728	893	1,396	18,090
S. C.....	180	87	1,218	707	655	9,284
Tenn.....	1,280	488	13,396	5,200	9,358	130,366
Region VIII:						
Iowa.....	235	134	971	367	720	10,955
Minn.....	272	150	2,351	1,313	1,657	27,613
Nebr.....	168	101	1,731	1,163	1,327	20,387
N. Dak.....	21	11	203	130	139	2,241
S. Dak.....	16	11	112	85	39	449
Region IX:						
Ark.....	633	209	5,454	1,868	4,000	53,827
Kans.....	1,233	496	8,879	3,559	7,973	120,557
Mo.....	1,446	811	12,132	7,479	8,049	132,092
Okla.....	757	420	6,266	3,407	5,393	89,352
Region X:						
La.....	517	207	4,089	1,768	2,826	44,898
N. Mex.....	121	50	745	283	469	6,220
Tex.....	1,431	563	10,093	3,444	7,338	117,385
Region XI:						
Calo.....	304	183	2,317	1,520	1,732	23,806
Idaho.....	74	40	405	262	191	2,870
Mont.....	55	34	453	215	337	4,518
Utah.....	201	79	1,342	662	612	14,288
Wyo.....	98	22	715	257	468	8,816
Region XII:						
Ariz.....	367	173	1,997	933	1,543	21,740
Calif.....	7,971	3,973	92,582	42,142	73,163	1,397,903
Nev.....	122	66	1,127	604	893	15,906
Oreg.....	443	229	11,179	5,761	9,516	157,810
Wash.....	6,847	3,378	26,096	14,803	17,310	326,874
Regions XIII and XIV:						
Alaska.....	101	14	1,013	166	787	12,376
Hawaii.....	52	14	497	93	388	8,862

Table 10.—Claims and payments for veterans' unemployment allowances, September 1946¹

State ²	Initial claims	Continued claims			Weeks compensated	Payments
		Total	Because of unemployment	Because of illness or disability		
Total.....	446,861	6,127,774	6,065,179	62,595	6,215,618	\$124,081,708
Ala.....	5,508	132,622	131,550	1,072	135,630	2,707,865
Alaska.....	77	166	166	0	158	3,146
Ariz.....	2,507	17,926	17,254	672	18,654	371,398
Ark.....	3,775	86,189	84,917	1,242	96,522	1,927,839
Calif.....	35,296	297,464	291,122	6,342	285,548	5,691,014
Colo.....	2,786	23,062	22,494	568	23,541	468,286
Conn.....	5,560	77,000	75,797	1,203	72,781	1,451,938
Del.....	967	9,455	9,358	97	9,778	194,215
D. C.....	1,932	34,485	34,061	424	30,044	599,261
Fla.....	8,222	100,510	96,641	3,869	104,278	2,083,104
Ga.....	9,678	138,727	137,611	1,116	136,814	2,730,967
Hawaii.....	246	820	805	15	704	14,020
Idaho.....	340	1,736	1,667	69	1,759	34,931
Ill.....	20,802	291,948	280,799	1,149	287,537	5,713,043
Ind.....	11,008	105,578	104,912	666	104,984	1,643,984
Iowa.....	6,502	46,273	46,230	43	46,237	1,041,104
Kans.....	5,299	48,291	47,219	1,072	48,387	962,562
Ky.....	3,442	212,763	211,984	779	212,663	4,245,813
La.....	7,199	130,171	129,638	533	125,585	2,600,851
Maine.....	2,590	36,825	36,256	569	35,556	707,849
Md.....	2,321	77,852	77,582	270	77,726	1,551,052
Mass.....	18,665	311,218	308,109	3,109	300,315	5,990,533
Mich.....	27,007	299,857	295,274	4,583	291,315	4,399,309
Minn.....	7,950	52,517	51,773	739	51,317	2,035,467
Miss.....	3,552	51,099	50,224	875	40,486	808,247
Mo.....	14,616	208,486	206,873	1,613	204,385	4,069,427
Mont.....	1,728	9,648	9,497	151	9,411	187,707
Nebr.....	2,773	15,702	15,551	151	16,981	337,045
Nev.....	444	2,112	2,068	44	2,240	44,558
N. H.....	1,951	11,654	11,480	174	11,679	232,373
N. J.....	18,284	319,421	317,018	2,403	311,239	6,217,765
N. Mex.....	1,640	14,157	13,830	327	11,712	233,583
N. Y.....	94,016	812,689	803,783	8,906	816,221	16,281,028
N. C.....	8,248	90,257	88,056	2,201	89,468	1,786,014
N. Dak.....	448	2,751	2,676	75	2,304	45,613
Ohio.....	9,133	232,829	230,465	2,364	287,127	5,720,933
Okla.....	5,890	108,767	107,819	948	106,839	2,132,012
Oreg.....	3,786	23,547	23,199	348	22,377	445,848
Pa.....	80,191	707,853	704,716	3,137	700,103	14,587,826
P. R.....	1,603	89,426	87,645	1,781	89,333	1,785,581
R. I.....	2,447	50,977	50,664	313	52,267	1,042,556
S. C.....	4,678	46,055	45,192	863	42,750	1,651,446
S. Dak.....	1,134	7,759	7,731	28	7,329	145,774
Tenn.....	7,124	195,579	194,679	900	197,073	3,936,237
Tex.....	13,947	301,721	300,914	807	280,511	5,610,670
Utah.....	2,033	15,946	15,606	340	16,423	325,661
Vt.....	619	4,862	4,803	59	4,784	94,788
Va.....	5,028	85,412	84,638	774	88,817	1,768,538
Wash.....	5,791	39,526	39,134	392	39,059	774,342
W. Va.....	7,622	160,950	159,815	1,135	163,332	3,261,255
Wis.....	8,186	74,241	73,047	1,194	69,101	1,369,621
Wyo.....	240	923	832	91	810	16,074

¹ Represents activities under provisions of title V of the Servicemen's Readjustment Act of 1944; excludes data for self-employed veterans.

² Includes Puerto Rico.

Source: Data reported to Readjustment Allowance Service, Veterans Administration, by unemployment compensation agencies in 48 States, the District of Columbia, Alaska, and Hawaii, and by Veterans Administration for Puerto Rico.

August and the largest number since October 1945. The percentage increases varied widely among the States—from as little as one-tenth of 1 percent in Connecticut to 53 percent in New Hampshire. Declines ranged from 0.4 percent in California to 26 percent in Virginia.

Fewer placements of women were made than in August but more than in any other month of 1946. In 13

of the 18 States in which increases occurred in both total placements and placements of women, the percentage increases in women's placements were much larger—as much as 35 percentage points more in West Virginia and Utah, for example. The relative declines in the placements of women varied more widely than did those in total placements, ranging from less than 2 percent in Kansas and Ne-

braska to 39 percent in Minnesota.

Although placements of all veterans rose from 191,000 in August to 192,000 in September, those of World War II veterans declined from 184,400 to 184,100. Despite this country-wide decline, however, 24 States reported increases; in 6 States, the increases were 10 percent or more and were as much as 21 percent in Tennessee and 16 percent in Mississippi.

Old-Age and Survivors Insurance

Applicants for Account Numbers, April-June 1946

The number and characteristics of persons for whom social security accounts were established in the second quarter of 1946 continue to reflect the return of servicemen to the civilian labor force. Applicants in April-June totaled 770,000, a decline of 21 percent from the corresponding quarter of last year. Because of applications from veterans, however, the number of male applicants declined by only 14 percent, while women registered a drop of 26 percent. Consequently, men and boys accounted for 46 percent of the total, as against 42 percent in April-June 1945.

Another effect of demobilization, and also of reduced draft calls, was the continued increase in the relative number of male applicants 20 years of age and older. This group accounted for 46 percent of all applications from men and boys, as compared with 26 percent a year earlier. The age composition of women applicants, however, remained fairly

stable, with 40 percent in the age group 20 and over this year and 41 percent in 1945.

Although more applications were received from women than from men, for the ages 15 and younger, boys outnumbered girls; more men applied at each age from 21 to 28, presumably because of the large number of ap-

plications from discharged servicemen, and at each age 61 to 69 and in the group aged 70 and over, because of the small number of elderly women who seek employment.

Applicants aged 60 and over were fewer in April-June than in any previous quarter. The 21,000 accounts established for persons at these ages were less than 3 percent of the total, the smallest proportion since the third quarter of 1941.

Table 2.—Number of applicants for account numbers, by year, 1940-45, and first and second quarters, 1946, and estimated number of living account-number holders at end of each period

Period	Applicants for account numbers		Estimated number of living account-number holders 14 years and over as of end of period ¹			
	Total during period	Cumulative total as of end of period	Number	Percent of estimated population 14 years and over ²		
				Total	Male	Female
1940.....	5,227,084	54,225,212	49,900,000	48.7	66.6	30.9
1941.....	6,677,901	60,903,113	56,000,000	54.0	72.0	36.0
1942.....	7,638,175	68,541,288	63,000,000	60.2	77.4	43.2
1943.....	7,425,670	75,966,958	69,400,000	65.7	80.7	50.8
1944.....	4,536,948	80,503,906	72,900,000	68.4	82.3	54.7
1945.....	3,321,384	83,825,290	75,300,000	70.0	83.4	56.9
January-March 1946.....	590,651	84,415,941	75,700,000	70.3	83.6	57.2
April-June 1946.....	770,244	85,186,185	76,300,000	70.6	83.8	57.6

¹ Estimated by adjusting the cumulative total of accounts established for duplications as well as for deaths; includes Alaska and Hawaii. Data subject to revision.

² Population 14 years of age and over estimated by the Bureau of the Census; includes Alaska and Hawaii.

Table 1.—Distribution of applicants for account numbers, by sex, race, and age group, April-June 1946

Age group	Total			Male			Female		
	Total	White ¹	Negro	Total	White ¹	Negro	Total	White ¹	Negro
Total.....	770,244	677,070	93,174	353,844	311,972	41,872	416,400	365,098	51,302
Under 15.....	57,740	50,235	7,504	37,829	32,345	5,484	19,920	17,890	2,030
15-19.....	383,968	347,677	36,291	154,123	137,383	16,740	229,845	210,294	19,551
20-39.....	221,390	182,291	39,099	117,009	101,115	15,894	104,381	81,176	23,205
40-59.....	85,662	76,881	8,781	31,758	28,988	2,770	53,904	47,893	6,011
60-64.....	10,948	10,238	710	5,726	5,309	417	5,222	4,929	293
65-69.....	5,900	5,465	435	3,741	3,450	291	2,150	2,015	134
70 and over.....	4,485	4,160	316	3,558	3,296	262	927	873	54
Unknown.....	142	114	28	100	86	14	42	28	14

¹ Represents all races other than Negro.

Table 3.—Distribution of account-number applicants under 20 years of age, by sex and age, April-June, 1946 and 1945

Age	Total			Male			Female		
	April-June		Per-centage change	April-June		Per-centage change	April-June		Per-centage change
	1946	1945		1946	1945		1946	1945	
Under 20, total.....	441,717	637,690	-30.7	191,952	303,441	-36.7	249,765	334,249	-25.3
Under 18, total.....	358,262	539,822	-33.6	166,968	278,958	-40.1	191,294	260,864	-26.7
Under 14.....	18,210	38,062	-52.2	14,097	30,483	-53.8	4,113	7,579	-45.7
14.....	39,539	71,754	-44.9	23,732	45,278	-47.6	15,807	26,476	-40.3
15.....	74,600	127,878	-41.7	38,176	71,024	-46.2	36,424	56,854	-35.9
16.....	130,338	177,107	-26.4	54,979	82,160	-33.1	75,359	94,947	-20.6
17.....	95,575	125,021	-23.6	35,984	50,013	-28.1	59,591	75,008	-20.6
18.....	56,039	67,133	-16.5	17,357	18,536	-6.4	38,682	48,597	-20.4
19.....	27,416	30,735	-10.8	7,627	8,947	+28.2	19,789	24,788	-20.2

Table 4.—Number of monthly benefits and lump-sum death payments awarded, by type of benefit and by quarter, 1940-46

[Corrected to Oct. 18, 1946]

Year and quarter	Monthly benefits							Lump-sum death payments ¹
	Total	Primary	Wife's	Child's	Widow's	Widow's current	Parent's	
1940								
Jan.-Mar.....	40,780	28,211	4,366	5,978	168	2,057	0	7,046
Apr.-June.....	67,824	33,955	8,468	17,408	885	6,885	223	19,074
July-Sept.....	76,113	38,245	11,981	17,220	1,560	6,782	325	23,793
Oct.-Dec.....	70,267	31,924	9,740	18,776	1,987	7,536	304	25,182
1941								
Jan.-Mar.....	74,567	32,802	9,901	20,597	2,703	8,227	337	30,633
Apr.-June.....	66,074	28,879	8,962	18,021	2,617	7,278	317	28,210
July-Sept.....	65,593	27,238	8,898	18,745	2,786	7,632	294	29,610
Oct.-Dec.....	63,052	25,741	8,452	18,256	2,914	7,365	324	28,850
1942								
Jan.-Mar.....	68,181	27,699	9,161	19,596	3,505	8,027	283	33,410
Apr.-June.....	67,679	26,878	8,649	19,991	3,690	8,134	337	35,428
July-Sept.....	62,161	23,826	8,013	18,894	3,475	7,624	329	32,932
Oct.-Dec.....	60,095	21,309	7,427	18,903	4,104	8,035	317	33,221
1943								
Jan.-Mar.....	67,750	23,754	8,112	21,503	4,975	9,078	328	40,525
Apr.-June.....	69,757	23,803	8,372	22,811	5,051	9,387	333	43,108
July-Sept.....	63,501	21,378	7,896	20,764	4,695	8,476	292	39,485
Oct.-Dec.....	61,857	20,135	7,536	20,541	4,855	8,479	311	39,893
1944								
Jan.-Mar.....	75,807	25,474	9,401	23,978	6,416	10,225	313	47,342
Apr.-June.....	79,003	27,907	10,150	24,442	6,086	10,067	351	48,976
July-Sept.....	78,976	27,607	10,066	24,589	5,804	10,550	351	52,444
Oct.-Dec.....	85,163	29,109	10,732	26,667	6,453	11,793	404	56,415
1945								
Jan.-Mar.....	104,064	35,613	12,587	33,025	7,730	14,689	420	65,695
Apr.-June.....	117,857	41,116	14,454	37,208	7,954	16,614	511	69,770
July-Sept.....	106,782	44,493	14,908	28,058	6,821	12,066	406	54,750
Oct.-Dec.....	133,766	63,950	21,131	29,218	7,337	11,711	419	56,797
1946								
Jan.-Mar.....	147,236	72,384	23,554	30,092	8,805	12,006	365	64,182
Apr.-June.....	185,036	75,641	25,222	31,452	10,306	11,966	449	67,543
July-Sept.....	132,627	62,541	21,810	27,221	10,020	10,579	456	58,382

¹ Under 1939 amendments.² September data, in accordance with 1946 amendments, include awards to survivors of veterans of

World War II who have died within 3 years of discharge.

Account numbers issued to Negroes fell below the 100,000 mark for the third successive quarter. The number of Negro applicants made up 12 percent of the total, as compared with 14 percent a year earlier. Negro women and girls were responsible for virtually all the decrease; they represented 12 percent of all female applicants, as compared with 16 percent in the corresponding quarter of 1945. The proportion of Negroes among male applicants, on the other hand, showed practically no change from a year ago.

At the end of June the cumulative number of social security accounts established had reached 85.2 million. Account numbers held by individuals aged 14 and over totaled an estimated 76.3 million, or nearly 71 percent of the estimated population in that age group.

Employers, Workers, and Taxable Wages, Second Quarter, 1946

The number of workers with taxable wages in April-June of this year is estimated at 36.3 million, a 2.1-percent increase over the number in January-March. This rise reflects the resumption of operations in the construction, manufacturing, and mining industries after the settlement of labor-management disputes. The increase of 1.2 percent over the number in the second quarter of 1945 is the result of expansion of employment in the construction, trade, and finance and service industries, which were hard-pressed for labor and civilian materials during the war.

Total taxable wages in the second quarter of 1946 are estimated at \$17.6 billion, and average taxable wages, at \$485. In comparison with the first quarter of 1946, these figures represent increases of 5.3 and 3.2 percent, respectively. The gains reflect not only reemployment following the settlement of labor-management disputes but also increases in average hourly and weekly earnings. Total taxable wages were slightly higher than in April-June 1945, but average taxable wages were slightly lower.

Almost 2.5 million employers reported taxable wages paid during the

quarter, 11 percent more than in the first quarter of 1946 and 16 percent more than a year earlier. It is the largest quarterly total on record.

Monthly Benefits in Current-Payment Status, September 1946, and Benefits Awarded, July-September 1946

At the end of September, almost 1.6 million monthly benefits were in current-payment status at a monthly rate of \$29.8 million (table 6). During the month the number of benefits in current-payment status rose by 25,200, the smallest increase for any month since August 1945. The 39,700 monthly benefit awards processed represented the lowest number for any month in 1946.

The first monthly benefits and lump-sum death payments under the amended provisions of title II of the Social Security Act,¹ guaranteeing protection to survivors of certain World War II veterans who die or have died within 3 years after their discharge, were awarded and certified during September. In this and subsequent issues, data on benefit operations will include such benefits. Payments of slightly more than \$19,000 were certified under the amendment during September, of which \$3,500 was for monthly benefits and \$15,500 for lump-sum payments.

During the third quarter of 1946, more than 132,600 monthly benefits were awarded (table 4). For all types of benefits except widow's and parent's, fewer benefits were awarded in this quarter than in either of the 2 preceding quarters.

Despite the third-quarter drop, however, awards for the first 9 months of 1946 totaled 434,900, as compared with 328,700 during the corresponding period in 1945 and 462,500 during the entire year 1945. Awards of primary and wife's benefits outnumbered corresponding awards for the entire year 1945 by 14 and 12 percent, respectively. Awards of child's

and widow's current benefits, on the other hand, were 10 and 20 percent fewer, respectively, than awards for these types during the first 9 months of 1945, when war deaths brought about a large volume of claims.

Table 5.—Estimated number of employers and workers and estimated amount of taxable wages included under the old-age and survivors insurance program, by specified period, 1937-46

[Corrected to Nov. 1, 1946]

Year and quarter	Employers reporting taxable wages ¹ (in thousands)	Workers with taxable wages during period ² (in thousands)	Taxable wages ³	
			Total (in millions)	Average per worker
1937.....	2,421	32,904	\$29,615	\$900
1938.....	2,239	31,822	26,502	833
1939.....	2,366	33,751	29,745	881
1940.....	2,500	35,393	32,974	932
1941.....	2,646	40,976	41,845	1,021
1942.....	2,655	46,363	52,939	1,142
1943.....	2,394	47,656	62,423	1,310
1944.....	2,469	46,296	64,426	1,392
1945.....	2,614	46,392	62,945	1,357
1938				
January-March.....	1,880	25,332	6,580	260
April-June.....	1,933	25,423	6,578	259
July-September.....	1,900	26,252	6,547	249
October-December.....	1,975	26,759	6,797	254
1939				
January-March.....	1,967	25,856	7,281	282
April-June.....	2,034	27,245	7,445	273
July-September.....	2,065	28,022	7,445	266
October-December.....	2,103	28,851	7,574	263
1940				
January-March.....	2,069	27,314	8,060	295
April-June.....	2,141	28,345	8,094	286
July-September.....	2,167	29,542	8,222	278
October-December.....	2,177	30,280	8,598	284
1941				
January-March.....	2,188	30,389	9,587	315
April-June.....	2,249	32,634	10,285	315
July-September.....	2,284	34,522	10,824	314
October-December.....	2,267	34,051	11,153	328
1942				
January-March.....	2,204	33,771	12,112	359
April-June.....	2,183	35,509	13,163	371
July-September.....	2,119	36,977	13,786	373
October-December.....	2,038	36,656	13,878	379
1943				
January-March.....	1,971	36,537	15,462	423
April-June.....	2,008	37,483	16,561	442
July-September.....	1,998	37,682	16,838	420
October-December.....	2,001	36,016	14,562	404
1944				
January-March.....	2,010	35,326	17,362	478
April-June.....	2,048	36,893	17,284	468
July-September.....	2,033	37,301	16,243	435
October-December.....	2,039	35,629	13,537	380
1945				
January-March.....	2,076	35,855	17,874	499
April-June.....	2,123	35,854	17,541	499
July-September.....	2,151	35,694	14,982	430
October-December.....	2,172	33,598	12,548	373
1946				
January-March.....	2,234	35,554	16,717	470
April-June.....	2,470	36,300	17,600	485

¹ Number corresponds to number of employer returns. A return may relate to more than 1 establishment if employer operates several separate establishments but reports for concern as a whole.

² Excludes estimated duplication arising from recording of wages of some workers under more than 1 account. Quarterly estimates exclude workers whose earnings in covered employment were not reported in the quarter because of the \$3,000 limitation on taxable wages.

³ Includes nontaxable wages erroneously reported and wages not counted in determining insurance benefits. Excludes all wages over \$3,000 a year paid to a worker by a single employer. Beginning with 1940 all wages in excess of \$3,000 a year received by any 1 worker are excluded in benefit computations.

⁴ Preliminary.

¹ For a brief summary of the provisions of this amendment and of its legislative history, see the *Bulletin*, August 1946, p. 5, and September 1946, pp. 4-5.

Table 6.—Monthly benefits in current-payment status¹ at the end of the month, by type of benefit and month, September 1945–September 1946, and monthly benefit actions, by type of benefit, September 1946²

(Amounts in thousands; data corrected to Oct. 18, 1946)

Item	Total		Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Monthly benefits in current-payment status at end of month:														
1945														
September.....	1,180,021	\$21,648.4	464,720	\$11,186.7	142,736	\$1,823.3	364,319	\$4,521.9	87,461	\$1,763.5	114,875	\$2,275.8	5,910	\$77.2
October.....	1,218,023	22,414.2	482,989	11,660.7	148,378	1,899.3	374,145	4,651.8	89,473	1,804.8	117,029	2,319.1	6,009	78.5
November.....	1,255,792	23,164.5	501,786	12,131.6	154,101	1,974.1	383,054	4,767.9	91,715	1,851.0	119,013	2,359.9	6,123	80.0
December.....	1,288,107	23,801.1	518,234	12,538.2	159,168	2,039.9	390,134	4,867.5	93,781	1,893.1	120,581	2,391.4	6,209	81.1
1946														
January.....	1,324,496	24,573.0	538,006	13,057.9	164,909	2,119.4	397,062	4,948.3	96,105	1,941.0	122,121	2,424.3	6,293	82.2
February.....	1,362,473	25,374.3	558,757	13,599.7	171,057	2,203.7	404,092	5,040.5	98,531	1,989.9	123,670	2,457.3	6,366	83.2
March.....	1,403,698	26,232.6	581,084	14,171.8	177,795	2,263.6	411,429	5,138.2	101,409	2,048.1	125,515	2,496.3	6,466	84.5
April.....	1,441,074	26,976.7	600,759	14,657.3	183,570	2,368.3	419,153	5,236.3	104,035	2,101.2	126,989	2,527.9	6,568	85.7
May.....	1,474,015	27,633.1	617,562	15,076.0	188,668	2,435.3	426,141	5,324.1	107,254	2,166.2	127,766	2,544.8	6,634	86.6
June.....	1,502,085	28,210.8	632,038	15,443.3	193,241	2,496.6	431,202	5,391.2	110,168	2,225.9	128,688	2,565.8	6,748	88.1
July.....	1,527,880	28,771.9	646,966	15,833.0	197,947	2,550.1	433,533	5,420.1	113,092	2,284.5	129,437	2,584.2	6,875	90.0
August.....	1,553,914	29,325.1	661,781	16,212.6	202,930	2,627.8	436,144	5,450.5	116,213	2,347.9	129,882	2,596.2	6,964	91.1
September.....	1,579,112	29,825.5	673,438	16,509.0	206,794	2,679.7	442,905	5,541.6	118,839	2,400.7	130,070	2,601.9	7,066	92.6
Monthly benefit actions, September 1946:														
In force ³ beginning of month.....	1,768,672	33,702.9	771,787	18,950.9	229,649	2,974.0	471,582	5,895.6	118,239	2,387.9	170,355	3,402.1	7,060	92.4
Benefits awarded in month.....	39,702	782.9	18,366	458.1	6,439	84.5	8,489	110.7	3,031	60.7	3,241	67.1	136	1.9
Entitlements terminated ⁴	11,350	206.8	3,485	84.8	1,689	21.4	3,344	43.9	349	6.8	2,449	49.4	34	.4
Net adjustments ⁵	-134	7.9	46	7.5	23	1.1	-161	-5	-9	-	-34	-	(⁶)	(⁶)
In force end of month.....	1,796,890	34,286.9	786,714	19,351.6	234,422	3,038.1	476,566	5,962.0	120,915	2,441.6	171,113	3,419.8	7,160	93.8

¹ Benefit in current-payment status is subject to no deduction or only to deduction of fixed amount which is less than current month's benefit.² September data in this table, in accordance with 1946 amendments, include benefits to survivors of veterans of World War II who have died within 3 years of discharge.³ Represents total benefits awarded (including benefits in current, deferred, and conditional-payment status), after adjustment for subsequent changes in number and amount of benefits (see footnote 5) and terminations (see footnote 4), cumulative from January 1940.⁴ Benefits are terminated when a beneficiary dies or loses entitlement to benefits for the reasons specified in 1939 amendments, sec. 202.⁵ Adjustments result from operation of maximum and minimum provisions of 1939 amendments, sec. 203 (a) and (b), and from other administrative actions.⁶ Less than \$50.

Public Assistance

Expenditures for Assistance, 1945-46

Because of the wide variation in the size of population among the States, valid interstate comparisons of the amounts expended for assistance can be made only when assistance expenditures are related to population. In 1945-46, for example, California expended almost \$91 million for old-age assistance, whereas Washington spent considerably less than half that amount; yet the \$20.83 expended per inhabitant in Washington was almost double the \$11.19 spent in California. Similarly, the total amounts expended for old-age assistance in Missouri and Pennsylvania were about the same, but the per inhabitant expenditure in Missouri was more than two and one-half times that in Pennsylvania.

Data presented in table 1 show for each State the expenditures per inhabitant for all four public assistance

programs and for each program for the calendar year 1940 and for the fiscal years 1944-45 and 1945-46. Expenditure data are related to the total population as enumerated for 1940, and to the civilian population for the other 2 years, as estimated by the Bureau of the Census. Use of estimates of total population which include members of the armed forces in the States in which they were stationed rather than in their States of residence would have distorted interstate comparisons. Their exclusion from the population base, however, results in overstating somewhat the extent of increase in expenditures per inhabitant from 1940 and understates the extent of declines. For the few States in which the increases are relatively small, the direction of change shown by the data may not be valid.

During 1945-46, the first postwar year, expenditures for assistance were about 3 percent higher than in 1940—\$1,062 million compared with \$1,034 million. Because of the de-

crease in the population base, however, expenditures per inhabitant in the postwar year were almost 6 percent above those for 1940. Underlying these relatively small changes in the data for all programs combined are important shifts in program emphasis that occurred between the 2 years. Expenditures per inhabitant for old-age assistance rose from \$3.61 to \$5.97, about 65 percent. General assistance expenditures per inhabitant in 1945-46, on the other hand, were only a little more than a fourth as large as in 1940—79 cents as compared with \$3.07. Expenditures per inhabitant for aid to dependent children rose about a third, from \$1.01 to \$1.35; and those for aid to the blind, about one-fifth, from 18 to 22 cents.

The general upward shift in expenditures per inhabitant for all programs combined and for old-age assistance, and the downward movement for general assistance are shown in table 2. In 1945-46, all States spent less than \$3 per inhabitant for general assistance, though 12 States had spent more than this amount in 1940;

similarly in the postwar year, 37 States spent less than \$1 per inhabitant, compared with only 18 in 1940. By 1945-46, expenditures per inhabitant for old-age assistance were \$5 or more in 28 States, more than double the comparable number of States in 1940; likewise 25 States spent less than \$3 per inhabitant for old-age assistance in 1940, compared with only 12 in 1945-46. Though these shifts in the 2 programs tend to offset each other in the total amounts expended per inhabitant, the net effect is a

slight upward shift in expenditures for all programs combined. Thus 10 States in 1940, but only 4 in 1945-46, spent less than \$3 per inhabitant for all programs combined; and 33 in 1940, compared with 35 in 1945-46, spent \$5 or more.

Wide variations existed among the States in expenditures per inhabitant for public assistance in both 1940 and the first postwar year (table 3). Except for the general assistance program, the range in per inhabitant expenditures was greater in 1945-46.

Table 2.—Distribution of States by expenditures per inhabitant, fiscal year 1945-46 and calendar year 1940

Expenditures per inhabitant of—	Four public assistance programs		Old-age assistance		General assistance	
	1945-46	1940	1945-46	1940	1945-46	1940
Less than \$1.00.....	0	0	2	6	37	18
1.00-1.99.....	1	7	3	8	11	15
2.00-2.99.....	3	3	7	11	1	4
3.00-3.99.....	7	6	6	3	0	5
4.00-4.99.....	3	1	4	9	0	3
5.00-7.49.....	6	13	12	10	0	3
7.50-9.99.....	17	11	10	1	0	1
10.00 or more.....	12	9	6	1	0	0

Table 1.—Amount expended per inhabitant for public assistance, by State and program, fiscal years 1945-46 and 1944-45 and calendar year 1940

[Based on population as of Apr. 1, 1940, and estimates of civilian population as of July 1944 and July 1945]

State	Rank according to per capita income, 1943-45 average	Total			Old-age assistance			Aid to dependent children			Aid to the blind			General assistance		
		1945-46	1944-45	1940	1945-46	1944-45	1940	1945-46	1944-45	1940	1945-46	1944-45	1940	1945-46	1944-45	1940
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
United States average.....		\$8.33	\$7.50	\$7.87	\$5.97	\$5.54	\$3.61	\$1.35	\$1.09	\$1.01	\$0.22	\$0.20	\$0.18	\$0.79	\$0.67	\$3.07
Washington.....	4	25.75	18.50	8.84	20.83	14.89	6.04	2.52	1.80	1.06	.22	.16	.22	2.18	1.65	1.52
Colorado.....	27	22.58	22.20	18.14	18.93	19.06	14.13	2.27	1.50	1.89	.19	.20	.19	1.19	1.44	1.93
Oklahoma.....	38	22.32	16.82	8.50	17.92	13.29	6.62	3.67	2.93	1.35	.43	.35	.17	.30	.25	.36
Utah.....	25	14.40	13.95	11.91	10.09	9.95	6.46	2.89	2.73	2.71	.11	.11	.11	1.31	1.16	2.63
Massachusetts.....	11	13.47	12.20	13.50	10.08	9.24	6.78	1.87	1.63	1.97	.14	.12	.08	1.38	1.21	4.67
California.....	3	13.42	13.00	16.83	11.19	11.22	9.41	.89	.76	1.21	.46	.40	.60	.88	.62	5.61
Montana.....	18	11.90	10.73	7.67	9.08	8.51	4.76	1.81	1.23	1.43	.31	.26	.09	.70	.73	1.39
Missouri.....	29	11.66	10.13	6.87	9.19	8.00	4.70	1.55	1.24	.87	.30	.26	.26	.64	.63	1.04
Oregon.....	10	11.02	9.45	7.24	7.92	6.95	4.58	1.07	.94	.86	.18	.17	.12	1.85	1.39	1.68
Minnesota.....	30	10.64	9.73	10.81	8.50	7.88	5.68	1.19	.96	1.31	.18	.16	.11	.77	.71	3.71
Idaho.....	28	10.62	9.35	7.27	8.14	7.55	4.49	1.89	1.21	1.89	.18	.17	.14	.41	.42	.75
Arizona.....	35	10.38	10.35	8.75	7.51	7.63	5.41	1.25	1.14	1.95	.46	.40	.23	1.16	1.18	1.16
Maine.....	21	9.97	9.10	8.61	6.97	6.56	4.05	1.56	1.22	.83	.39	.38	.39	1.05	.94	3.34
Michigan.....	13	9.93	8.08	7.49	6.19	5.63	2.85	2.13	1.65	1.68	.10	.09	.05	1.51	.71	2.91
Illinois.....	9	9.87	9.10	10.81	6.47	6.16	4.45	1.99	1.39	.25	.28	.27	.35	1.13	1.28	5.76
Iowa.....	24	9.73	9.14	8.09	8.50	8.07	5.34	.85	.43	.29	.24	.22	.16	.44	.42	2.30
Nebraska.....	22	9.68	8.38	7.19	7.72	6.99	4.52	1.40	.92	1.46	.14	.13	.12	.42	.34	1.09
South Dakota.....	31	9.46	8.57	7.22	7.62	6.93	5.32	1.34	1.12	.58	.12	.11	.08	.38	.41	1.24
Florida.....	33	9.28	8.16	3.87	7.42	6.64	2.74	1.23	1.87	.55	.41	.40	.19	.22	.25	.39
North Dakota.....	23	9.17	8.63	5.41	6.81	6.45	2.80	1.80	1.75	1.38	.09	.08	.08	.38	.35	1.15
Texas.....	34	8.78	7.95	2.62	8.05	7.22	2.43	.42	.43	(¹)	.22	.21	.....	.09	.09	.19
Kansas.....	20	8.40	7.77	6.90	6.24	5.82	3.50	1.22	1.04	1.24	.23	.24	.17	.78	.67	1.99
Wyoming.....	26	8.37	7.06	6.21	6.66	5.59	3.86	.90	.74	1.11	.24	.22	.20	.57	.51	1.04
New Hampshire.....	36	8.06	7.34	7.88	5.37	5.05	2.98	1.60	1.16	.70	.23	.21	.18	.86	.92	4.02
Ohio.....	12	7.97	7.61	8.61	6.29	6.21	5.03	.77	.71	.70	.15	.14	.13	.76	.55	2.75
New Mexico.....	41	7.87	7.34	3.09	4.73	4.42	1.56	2.42	2.21	1.10	.17	.18	.09	.55	.53	.34
Wisconsin.....	19	7.77	7.25	10.03	5.59	5.32	4.38	1.45	1.27	1.79	.17	.17	.18	.56	.49	3.68
Rhode Island.....	14	7.58	6.59	8.14	4.41	4.10	2.25	1.77	1.34	.94	.06	.05	.02	1.34	1.10	4.93
New York.....	1	7.51	6.66	12.12	3.76	3.53	2.60	1.91	1.34	1.47	.12	.11	.06	1.72	1.68	7.99
Pennsylvania.....	16	7.23	6.02	10.99	3.39	3.20	2.58	2.30	1.66	1.69	.66	.50	.47	.93	.66	6.25
Nevada.....	8	7.25	7.30	7.86	6.55	6.68	6.61	1.16	1.17	.28	1.11	1.10	.05	.43	.35	.92
Louisiana.....	40	6.94	6.96	4.33	4.24	4.26	2.04	1.77	1.90	1.64	.18	.19	.08	.75	.61	.77
Vermont.....	32	6.45	5.88	5.14	4.71	4.24	2.90	.80	.73	.61	.20	.17	.11	.74	.74	1.52
Indiana.....	17	6.42	6.34	7.89	5.02	5.06	4.15	.81	.83	1.70	.20	.23	.18	.39	.22	1.86
Connecticut.....	2	5.78	5.00	6.99	3.78	3.40	3.27	1.32	.99	.46	.04	.04	.04	.69	.57	3.22
Tennessee.....	42	4.22	4.29	2.91	2.59	2.68	1.67	1.45	1.44	1.07	.13	.13	.07	.05	.04	.10
West Virginia.....	39	4.19	4.59	3.33	2.12	2.34	1.53	1.55	1.58	1.12	.11	.13	.09	.41	.54	.79
Arkansas.....	48	4.16	4.77	1.41	3.03	3.46	.89	.76	.92	.34	.15	.17	.04	.22	.22	.14
Maryland.....	15	3.91	3.53	5.02	1.93	1.92	2.13	.74	.62	1.51	.08	.08	.09	1.16	.91	1.29
Georgia.....	43	3.89	3.70	1.49	3.21	3.05	.96	.43	.40	.32	.12	.12	.03	.13	.13	.16
Alabama.....	46	3.42	2.94	1.24	2.45	2.16	.78	.63	.54	.34	.06	.05	.02	.23	.19	.10
South Carolina.....	47	3.36	2.90	1.44	2.32	2.01	.96	.61	.57	.31	.14	.12	.05	.29	.20	.12
Kentucky.....	44	3.35	3.51	2.07	2.52	2.76	1.82	.59	.54	.05	.10	.10	(²)	.14	.11	.20
Mississippi.....	49	3.34	3.14	1.04	2.62	2.50	.99	.49	.45	(³)	.21	.17	.03	.02	.02	.02
New Jersey.....	6	3.27	3.15	6.02	2.16	2.15	1.84	.61	.55	.99	.05	.05	.05	.45	.40	3.14
North Carolina.....	45	2.48	2.15	1.97	1.59	1.41	1.22	.60	.51	.51	.18	.14	.10	.11	.09	.14
District of Columbia.....	7	2.37	2.18	3.21	1.17	1.17	1.54	.66	.48	.63	.11	.11	.10	.43	.42	.94
Delaware.....	5	2.28	2.02	3.36	.94	.93	1.32	.86	.73	.78	.02	.....	.....	.46	.36	1.26
Virginia.....	37	1.77	1.59	1.43	.95	.89	.79	.51	.42	.28	.08	.07	.06	.23	.21	.30

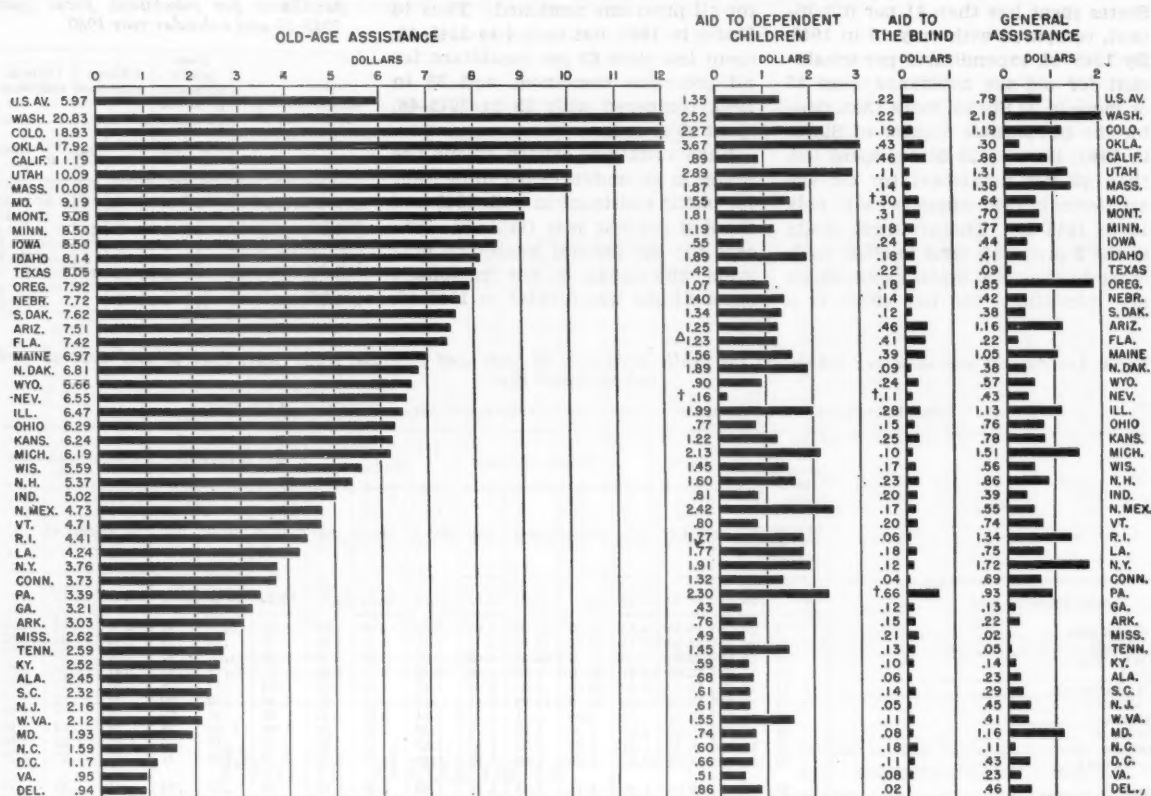
¹ Program administered under State law without Federal participation.

² Excludes program administered under State law without Federal participation.

³ Less than \$0.01.

⁴ Information on status of program not available.

Chart 1.—Amount expended per inhabitant* for public assistance payments, by program, fiscal year 1945-46



*Based on civilian population as of July 1945, estimated by the Bureau of the Census.

†Program administered under State law without Federal participation.

ΔExcludes program administered under State law without Federal participation.

Table 3.—Expenditures per inhabitant, fiscal year 1945-46 and calendar year 1940

Item	Range		Middle range within which half the States fall	
	Lower limit	Upper limit	Lower limit	Upper limit
Total:				
1945-46.....	\$1.77	\$25.75	\$4.18	\$10.07
1940.....	1.04	18.14	3.32	8.61
Old-age assistance:				
1945-46.....	.94	20.83	2.93	7.95
1940.....	.78	14.13	1.78	4.83
Aid to dependent children:				
1945-46.....	.16	3.67	.73	1.83
1940.....	(¹)	2.71	.60	1.46
Aid to the blind:				
1945-46.....	.02	.66	.11	.23
1940.....	.02	.60	.06	.18
General assistance:				
1945-46.....	.02	2.18	.36	.96
1940.....	.02	7.99	.38	2.97

¹ Less than 1 cent.

Likewise, for old-age assistance and aid to dependent children the middle range—within which half the States fall—was greater in 1945-46. In the special types of public assistance, the explanation for the wider total range lies in the fact that, though both extremes, low and high, moved upward, the increase at the top of the range was far greater than at the bottom. In general assistance, on the other hand, the narrowing of the range occurred because the upper extreme dropped from almost \$8.00 in 1940 to only \$2.18 in 1945-46, while the lower extreme remained at 2 cents.

The interstate variations in expenditures per inhabitant reflect differences in the proportion of the State population that receives aid and in the average monthly payment per recipient. Underlying these differences in program operations are the wide variations among States in the

incidence of need and in their fiscal ability to meet that need. The relationship between expenditures per inhabitant, average monthly payments, and recipient rates for old-age assistance and aid to dependent children is shown in table 4.

Expenditures per inhabitant for old-age assistance in about half the States exceeded those for the country as a whole. In 13 of these States, both recipient rates and average monthly payments per recipient were above average. In 10 States, one factor or the other—but not both—accounted for higher-than-average expenditures per inhabitant. Two States, Kansas and Maine, which made above-average expenditures, were, however, below average both in recipient rates and average payments per recipient. Among the 24 States spending less per inhabitant than the average for the country as a whole

were 11 of the 12 lowest-income States and 9 of the 18 States with above-average per capita income. Five of the 9 States made average payments above that for the country as a whole, though they were below average in recipient rates, probably because of the lower incidence of need. Of the 11 lowest-income States with below-average expenditures per inhabitant, only New Mexico had a higher-than-average recipient rate and average payment. Seven of the others had higher-than-average recipient rates, but their average payments fell below the national average. In the remaining 3, the lower-than-average expenditures per inhabitant reflected both low recipient rates and low average payments.

In aid to dependent children the picture was similar to that for old-age assistance, though 5 of the 12 lowest-income States—in contrast to only 1 for old-age assistance—made expenditures per inhabitant above the national average. Better-than-average recipient rates in these 5 States accounted for the higher rate of expenditure, since their average payments were below that for the country as a whole. In the other 7 lowest-income States the relatively small expenditures per inhabitant reflected both recipient rates and average payments below the national average.

Thirty-nine States expended more per inhabitant for old-age assistance in 1945-46 than in the preceding year, and 43 States expended more for aid to dependent children. Among the 13 States in which the increase in expenditures per inhabitant for old-age assistance was relatively large—10 percent or more—increases in average monthly payments contributed more to the rise in expenditure rate than did increases in the number of recipients (table 5). In 3 States the number of recipients actually declined slightly. Only in Florida was the rise in number of recipients the major factor accounting for increased expenditures. In aid to dependent children, on the other hand, increases in the number of recipients were primarily responsible for the rise in expenditure rates in 8 of the 13 States showing increases of 30 percent or more in per inhabitant expenditures.

Program Operations

Case loads for all four types of assistance rose in September, but the increases were not large. The number of families and children receiving aid to dependent children rose 1.5 percent; under the other types of assistance the increase was less than 1 percent.

Average payments continued to go up. The largest rise—\$1.34 per family

Table 5.—Percentage change in expenditures per inhabitant, number of recipients, and average payments for old-age assistance and aid to dependent children, selected States, fiscal year 1945-46 from fiscal year 1944-45

State	Percentage change in—		
	Expenditures per inhabitant	Average monthly payment	Average monthly number of recipients
Old-age assistance			
Washington.....	+39.9	+30.7	+6.1
Oklahoma.....	+34.8	+25.3	+6.6
Wyoming.....	+19.1	+18.4	+3.4
South Carolina.....	+15.4	+3.3	+3.6
Missouri.....	+14.9	+14.5	+1.3
Oregon.....	+14.0	+11.2	+3.3
Alabama.....	+13.4	+1.3	+12.9
North Carolina.....	+12.8	+13.6	—
Florida.....	+11.7	+5.3	+8.3
Texas.....	+11.5	+0.7	+3.1
Vermont.....	+11.1	+10.3	+6
Nebraska.....	+10.4	+12.4	+2.4
South Dakota.....	+10.0	+9.9	+1.6
Aid to dependent children			
Idaho.....	+56.2	+55.5	+1.4
Nebraska.....	+52.2	+74.4	+5.9
Colorado.....	+51.3	+49.8	+1.4
Montana.....	+47.2	+43.8	+8
Illinois.....	+43.2	+38.6	+3.2
New York.....	+42.5	+8.4	+31.5
Florida.....	+41.4	+2.9	+40.0
Washington.....	+40.0	+12.7	+27.7
Pennsylvania.....	+38.6	+13.2	+22.2
New Hampshire.....	+37.9	+14.2	+20.0
Dist. of Columbia.....	+37.5	+15.3	+19.3
Connecticut.....	+33.3	+12.8	+22.1
Rhode Island.....	+32.1	+1.4	+31.1

Table 4.—States with specified expenditure per inhabitant classified by relation of recipient rate and average payment to United States average, fiscal year 1945-46

Expenditure per inhabitant	Above national average in average payment and recipient rate	Above national average in average payment and below in recipient rate	Below national average in average payment and above in recipient rate	Below national average in average payment and recipient rate
Old-age assistance				
\$15.00 or more.....	Colorado, Oklahoma, Washington, California, Utah	Massachusetts		
10.00-14.99.....	Arizona, Idaho, Minnesota, Montana, Nebraska	Iowa, Oregon	Missouri, South Dakota, Texas	
7.50-9.99.....				
5.00-7.49.....	Michigan, Nevada, Wyoming	Illinois, North Dakota, Ohio	Florida	Indiana, Kansas, Maine, New Hampshire, Wisconsin
2.50-4.99.....	New Mexico	Connecticut, New York, Rhode Island	Arkansas, Georgia, Kentucky, Louisiana, Mississippi	Pennsylvania, Tennessee, Vermont
0.00-2.49.....		District of Columbia, New Jersey	Alabama, South Carolina	Delaware, Maryland, North Carolina, Virginia, West Virginia
Aid to dependent children				
\$2.50 or more.....	Utah, Washington		Oklahoma	
2.00-2.49.....	Colorado, Michigan, Pennsylvania		New Mexico	
1.50-1.99.....	Idaho, Illinois, New York, North Dakota, Rhode Island	Maine, Massachusetts, New Hampshire	Louisiana, Missouri, Montana, West Virginia	
1.00-1.49.....		Connecticut, Kansas, Minnesota, Nebraska, Oregon, Wisconsin	Arizona, Florida, South Dakota, Tennessee	
0.50-0.99.....		California, Delaware, District of Columbia, New Jersey, Ohio, Wyoming		Alabama, Arkansas, Indiana, Iowa, Kentucky, Maryland, North Carolina, South Carolina, Vermont, Virginia
0.00-0.49.....				Georgia, Mississippi, Nevada, Texas

Table 6.—Public assistance in the United States, by month, September 1945–September 1946¹

Year and month	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance
			Families	Children					Families	Children		
Number of recipients							Percentage change from previous month					
1945												
September		2,034,541	258,589	657,861	70,654	232,000		+0.1	+1.4	+1.6	-0.3	+1.3
October		2,039,661	263,003	669,317	70,699	239,000		+3	+1.7	+1.7	+1	+3.2
November		2,047,405	268,213	683,899	70,886	242,000		+4	+2.0	+2.2	+3	+1.3
December		2,055,859	274,301	701,251	71,454	250,000		+4	+2.3	+2.5	+8	+5.5
1946												
January		2,059,344	279,892	716,700	71,655	276,000		+2	+2.0	+2.2	+3	+7.6
February		2,062,672	286,245	733,670	72,041	295,000		+2	+2.3	+2.4	+5	+6.7
March		2,071,092	292,741	751,839	72,352	303,000		+4	+2.3	+2.5	+5	+2.8
April		2,088,031	300,938	772,570	72,739	292,000		+8	+2.8	+2.8	+5	-3.6
May		2,098,977	307,069	786,712	73,427	283,000		+5	+2.0	+1.8	+9	-3.2
June		2,108,216	311,294	799,414	73,980	278,000		+4	+1.4	+1.6	+8	-1.6
July		2,116,505	314,516	806,558	74,406	279,000		+4	+1.0	+1.9	+6	+3.3
August		2,126,635	318,571	816,886	74,823	280,000		+5	+1.3	+1.3	+6	+4.4
September		2,134,585	323,360	829,909	75,274	282,000		+4	+1.5	+1.5	+6	+7.7
Amount of assistance							Percentage change from previous month					
1945												
September	\$83,240,209	\$61,393,799	\$12,654,076		\$2,303,334	\$6,889,000	+1.1	+0.7	+3.2		+1.2	+0.7
October	85,193,100	62,137,738	13,171,371		2,344,991	7,539,000	+2.3	+1.2	+4.1		+1.8	+0.4
November	86,658,834	62,828,837	13,772,103		2,363,894	7,694,000	+1.7	+1.1	+4.6		+8	+2.1
December	88,557,991	63,489,317	14,278,439		2,395,235	8,395,000	+2.2	+1.1	+3.7		+1.3	+9.1
1946												
January	90,358,194	63,963,660	14,728,554		2,402,980	9,263,000	+2.0	+7	+3.2		+3	+10.3
February	92,070,887	64,419,356	15,273,581		2,426,950	9,951,000	+1.9	+7	+3.7		+1.0	+7.4
March	93,616,819	64,877,555	15,772,377		2,443,387	10,523,000	+1.7	+7	+3.3		+7	+5.7
April	95,568,365	65,445,101	16,195,125		2,463,139	9,465,000	+1	+9	+2.7		+8	-10.1
May	94,247,612	65,877,228	16,475,590		2,491,794	9,403,000	+7	+7	+1.7		+1.2	-7
June	94,691,786	66,363,812	16,717,447		2,518,527	9,092,000	+5	+7	+1.5		+1.1	-3.3
July	95,779,264	66,985,744	16,862,803		2,541,717	9,389,000	+1.2	+9	+9		+9	+3.3
August	97,110,506	67,663,188	17,225,179		2,567,139	9,655,000	+1.4	+1.0	+2.1		+1.0	+2.8
September	98,954,079	68,634,794	17,918,209		2,605,076	9,796,000	+1.9	+1.4	+4.0		+1.5	+1.5

¹ Partly estimated and subject to revision. Excludes programs administered without Federal participation in States administering such programs concurrently with programs under the Social Security Act.

Table 7.—Old-age assistance: Recipients and payments to recipients, by State, September 1946¹

State	Number of recipients	Payments to recipients		Percentage change from—				State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	August 1946 in—		September 1945 in—				Total amount	Average	August 1946 in—		September 1945 in—	
				Number	Amount	Number	Amount					Number	Amount	Number	Amount
Total.	2,134,585	\$68,634,794	\$32.15	+0.4	+1.4	+4.9	+11.8	Mo.	106,806	\$3,150,364	\$29.50	+0.4	+1.6	+6.7	+27.4
Ala.	39,555	727,581	18.39	+8	+1.5	+21.4	+42.9	Mont.	10,613	347,631	32.76	-1	+1	-6	+2.8
Alaska ..	1,375	56,270	40.92	-1	-1.5	+4.2	+14.8	Neb.	24,515	834,239	34.03	+5	+3.2	+2.6	+20.5
Ariz.	9,847	382,010	38.79	+4	+4	+4.3	+4.8	Nev.	1,943	75,718	38.97	+1	+3	+5	+1.8
Ark.	28,932	499,022	17.25	+1.6	+2.1	+10.3	+15.4	N. H.	6,627	221,825	33.47	+5	+2.4	+1.7	+13.4
Calif.	163,867	7,820,044	47.72	+3	+3	+3.6	+4.5	N. J.	22,939	780,622	34.03	(²)	+6	-1.3	+4.4
Colo.	40,567	1,984,380	41.52	+3	+4	+1.1	+1.4	N. Mex.	7,041	220,007	31.25	+1.4	+1.6	+18.4	+19.3
Conn.	14,687	625,123	42.56	-5	+1.4	+4.9	+13.1	N. Y.	104,444	4,303,461	41.20	+1	+5.3	+1.4	+17.8
Del.	1,193	23,459	19.66	-3	+7	-5.3	+10.7	N. C.	33,505	471,608	14.08	+6	+9	+2.2	+11.1
D. C.	2,246	86,066	38.32	-3	+11.3	-5.6	-7	N. Dak.	8,776	315,249	35.92	+6	+2.2	+1.3	+8.6
Fla.	47,695	1,481,252	31.06	+1.1	+1.7	+14.7	+22.0	Ohio	117,832	3,843,182	32.62	+2	+1.0	+8	+8.1
Ga.	70,869	959,661	13.54	+4	+1.7	+5.9	+23.0	Okla.	88,607	3,165,262	35.72	+7	+1.0	+11.1	+13.0
Hawaii ..	1,518	39,520	26.03	+4	+1.2	+6.0	+17.5	Oreg.	21,381	858,484	40.15	+8	+1.3	+5.8	+12.5
Idaho	10,113	386,778	38.25	+9	+9	+5.3	+25.3	Pa.	87,687	2,749,028	31.35	+4	+1.1	+6.0	+8.6
Ill.	124,880	4,481,905	35.89	+2	+2.8	+3.2	+14.1	R. I.	7,773	277,431	35.69	+1.4	+1.5	+6.9	+11.7
Ind.	55,309	1,485,330	26.86	+5	+9	+1.8	+5.7	S. C.	24,630	406,884	16.52	+1.6	+1.5	+14.1	+21.3
Iowa	48,331	1,674,551	34.65	+1	+8	-1.1	+6.6	S. Dak.	12,681	350,895	27.67	(²)	+6	+3	+6.9
Kans.	30,156	948,827	31.46	+1.0	+2.2	+7.5	+15.3	Tenn.	38,974	638,788	16.39	+4	+6	+3.1	+5.1
Ky.	43,164	518,955	12.02	-1.6	-7	-7.5	-3.7	Tex.	185,209	4,371,178	23.60	+4	+1.2	+8.1	+6.3
La.	39,076	900,403	23.04	+9	+1.4	+9.0	+7.0	Utah	12,831	504,929	39.35	(²)	+2	+3	+1.6
Maine	15,061	469,098	31.15	+3	+1.6	+1.7	+6.0	Vt.	5,254	128,873	24.53	-3	(²)	+9	+7.1
Md.	11,616	332,748	28.65	+3	+6	+1.1	+3.1	Va.	14,834	235,749	15.89	+9	+10.3	-6	+9.4
Mass.	81,053	3,846,019	47.45	+9	+9	+8.6	+19.5	Wash.	65,730	3,544,891	53.93	(²)	+3	+7.0	+15.2
Mich.	90,042	3,083,265	34.24	+1	+1.8	+6.3	+14.1	W. Va.	19,319	323,255	16.73	+6	+2.7	+5.0	+12.9
Minn.	54,134	1,872,990	34.60	(²)	+6	-4	+11.3	Wis.	46,461	1,488,247	32.03	+3	+1.6	+3.9	+12.7
Miss.	29,325	492,985	16.81	+3	+7	+9.1	+16.1	Wyo.	3,560	148,752	41.78	+2	+2	+5.0	+20.9

¹ For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. All data subject to revision.

² Decrease of less than 0.05 percent.
³ Increase of less than 0.05 percent.

in aid to dependent children—was due chiefly to an increase of nearly \$9 in New York. Averages in Delaware and

the District of Columbia rose more than \$6.

Although States have generally

been attempting to adjust payments to mounting living costs, the September increases in a few States are be-

Table 8.—General assistance: Cases and payments to cases, by State, September 1946¹

State	Number of cases	Payments to cases		Percentage change from—			
		Total amount	Average	August 1946 in—		September 1946 in—	
				Number	Amount	Number	Amount
Total ¹	282,000	\$9,796,000	\$34.74	+0.7	+1.5	+21.6	+42.2
Ala.	4,294	64,725	15.07	+1.0	+6	+30.8	+37.2
Alaska	147	4,221	28.71	-23.4	-35.4	-5.8	-15.0
Ariz.	2,212	60,559	27.38	-3.2	-1.6	+20.2	+9.0
Ark.	2,679	32,225	12.03	-5	+6	+3.3	+4.5
Calif.	17,993	835,918	46.46	-2	+9	+54.3	+81.8
Colo.	3,624	122,748	34.15	+2.3	+4.1	+22.1	+34.3
Conn.	2,789	103,047	36.95	-4	-1.5	+11.9	+25.9
Del.	500	15,500					
D. C.	868	30,320	45.30	+1.6	+16.4	+19.1	+30.4
Fla.	3,900	56,000					
Ga.	2,706	35,706	13.20	+3.4	+6.3	+3.8	+15.3
Hawaii	708	28,040	39.60	+2.6	+5	+39.4	+68.9
Idaho ²	506	12,778	25.25	+4	-9	+2.6	+18.4
Ill.	19,882	788,454	39.66	+1.2	+1.7	-11.6	+9.8
Ind. ³	9,012	207,903	23.08	+6.4	+7.9	+48.8	+50.3
Iowa	3,919	87,058	22.21	+5	+3.5	+6.4	+22.4
Kans.	3,806	132,854	34.91	+1.1	+4.3	+20.1	+40.1
Ky.	2,300	34,000					
La.	7,816	176,714	22.61	+6	+2.3	+9.3	+19.7
Maine	1,945	73,499	37.79	+1.8	+7.7	+6.6	+30.7
Md.	7,013	232,768	33.19	+2.0	+4	+38.3	+38.7
Mass.	13,050	456,834	35.01	-8	-3.5	+5.8	+13.5
Mich.	17,261	618,741	35.85	(⁴)	-7.0	+48.4	+62.8
Minn.	5,227	178,014	34.06	-3	+4.2	+15.0	+45.4
Miss.	396	3,583	9.05	+2.9	-4.9	+10.1	+24.8
Mo. ⁵	10,422	327,117	31.39	+5.9	+7.0	+31.5	+90.7
Mont.	1,069	28,175	25.87	+2.7	+3.8	+14.4	+19.9
Nebr.	1,795	43,413	24.19	-2.9	-3.0	+15.6	+34.0
Nev.	231	3,868	16.74	-2.5	-25.9	+11.6	-25.0
N. H.	1,011	28,602	28.29	-2.5	+12.2	-1.5	+3.5
N. J. ⁶	4,854	191,536	39.46	-1	+2.2	+8.1	+30.6
N. Mex. ⁷	1,449	25,558	17.64	+4.0	+8.1	+35.8	+52.2
N. Y.	103,703	2,147,426	54.09	+1.1	+8.7	+17.5	+39.1
N. C.	2,699	35,065	12.99	+1.1	+3.9	+13.0	+29.6
N. Dak.	652	17,839	27.36	-1.2	+2.7	+13.6	+21.6
Ohio	15,870	593,920	37.42	(⁴)	+6.3	+44.3	+89.8
Okl.	4,700	57,099		(⁴)	-6.7	(⁴)	+46.8
Oreg.	4,439	232,854	52.46	-5.6	+3.0	+34.1	+61.3
Pa.	26,935	791,700	29.39	-1.2	-12.4	+36.4	+52.5
R. I.	2,085	81,337	39.01	-5.1	-1.6	+4.3	+26.0
S. C.	3,909	45,548	11.65	+2.9	+2.3	+32.9	+16.1
S. Dak.	695	15,800	22.73	-8.1	-7.7	+1.2	+11.0
Tenn.	1,250	11,000					
Tex.	2,900	49,000					
Utah	1,597	69,400	43.46	-2.4	-2.3	+19.3	+26.3
Vt.	716	18,504	25.84	-5.9	-5.3	-4.5	+5.3
Va.	3,106	52,750	16.98	-5	+6.6	+6.0	+9.7
Wash.	8,135	423,071	52.01	+1	+3.3	+55.6	+62.8
W. Va.	4,489	58,329	12.99	+7	+1.2	+17.9	+32.0
Wis.	4,332	151,586	34.99	-9	+2	-3.5	+39.4
Wyo.	354	13,522	38.20	+3	+2.6	+11.3	+30.9

¹ For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. All data subject to revision.

² Partially estimated; does not represent sum of State figures because total excludes payments for, and an estimated number of cases receiving, medical care, hospitalization, and burial only in Indiana and New Jersey.

³ State program only; excludes program administered by local officials.

⁴ Based on actual reports including an estimated 95 percent of cases and payments.

⁵ Estimated.

⁶ Excludes assistance in kind and cases receiving assistance in kind only and, for a few counties, cash payments and cases receiving cash payments. Amount of payments shown represents about 60 percent of total.

⁷ Includes unknown number of cases receiving medical care, hospitalization, and burial only, and total payments for these services.

⁸ Decrease of less than 0.05 percent.

⁹ Excludes a few cases and small amount of local funds not administered by State agency.

¹⁰ Includes cases receiving medical care only.

¹¹ Excludes estimated duplication between programs; 3,814 cases were aided by county commissioners and 1,834 cases under program administered by State Board of Public Welfare. Average per case and percentage change in number of cases not computed.

Table 9.—Aid to the blind: Recipients and payments to recipients, by State, September 1946¹

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	August 1946 in—		September 1946 in—	
				Number	Amount	Number	Amount
Total	75,274	\$2,605,076	\$34.61	+0.6	+1.5	+6.5	+13.1
Total, 47 States ¹	58,665	1,973,599	33.64	+6	+1.6	+6.7	+15.4
Ala.	876	16,396	18.72	+3	+2.4	+14.2	+33.6
Ariz.	562	26,594	47.32	+1.6	+1.6	+23.5	+26.2
Ark.	1,268	24,379	19.23	+1.9	+2.1	+9.1	+13.6
Calif.	6,135	355,506	57.95	+1.3	+1.2	+15.0	+25.1
Colo.	447	16,445	36.79	+1.4	+1.9	-1.3	-6
Conn.	138	5,714	41.41	-1.4	+6.7	+7.8	+18.1
Del.	68	1,989	29.25	(²)	(²)	(²)	(²)
D. C.	199	8,264	41.53	-1.0	+10.1	+2.6	+5.4
Fla.	2,467	79,673	32.30	+8	+1.2	+7.2	+14.8
Ga.	2,113	34,309	16.24	+3	+1.3	+3.9	+17.3
Hawaii	65	1,864	28.68	(²)	(²)	(²)	(²)
Idaho	197	8,336	42.31	0	+5	-3.9	+20.1
Ill.	4,951	180,583	36.47	-1	+1.5	-3.0	+3.3
Ind.	1,935	57,513	29.72	+3	+1.0	-1.1	-4
Iowa	1,231	49,384	40.12	+7	+2.1	+6	+13.7
Kans.	1,096	38,064	34.73	+9	+2.2	+5.2	+16.3
Ky.	1,557	20,773	13.34	-2	-5	-1.0	+1.6
La.	1,402	36,852	26.29	+5	+9	+4.4	+1.4
Maine	764	24,363	31.89	-1	-7	-4.9	-1.8
Md.	462	14,786	32.00	+9	+7	+6.2	+8.1
Mass.	1,109	52,942	47.74	+9	+1.1	+13.9	+20.4
Mich.	1,340	48,809	36.42	-3	+6	-7.8	+11.8
Minn.	934	38,614	41.34	-2	+1.9	+1.9	+7.3
Miss.	1,731	40,259	23.26	+2.9	+3.2	+18.2	+22.6
Mo.	1,900	57,000	30.00				
Mont.	366	13,100	35.79	+1.7	+2.2	+12.3	+15.2
Nebr.	445	15,353	34.50	+7	+2.9	+9	+17.6
Nev.	87	1,166	(²)	(²)	(²)	(²)	(²)
N. H.	288	9,956	34.57	-7	+1.7	+4.7	+18.2
N. J.	565	20,599	36.46	+1.6	+1.1	+7.6	+15.0
N. Mex.	252	8,624	34.22	0	+20.1	+3.3	+21.7
N. Y.	3,132	144,276	46.07	+5	+5.4	+6.5	+23.4
N. C.	2,629	54,575	20.76	-4	-9	+10.0	+19.3
N. Dak.	121	4,242	35.06	-8	-2.0	+9.0	+10.2
Ohio	3,086	91,144	29.54	+1	+9	+2.2	+10.0
Okl.	2,097	77,142	36.79	+1.5	+1.7	+12.4	+14.0
Oreg.	375	18,225	48.60	+2.2	+2.7	-3	+2.7
Pa.	13,688	543,311	39.71	+8	+1.0	+7.3	+7.6
R. I.	116	4,266	36.78	+1.8	+1.5	+12.6	+30.4
S. C.	1,072	21,617	20.17	+1.3	+1.3	+12.0	+10.4
S. Dak.	213	5,242	24.61	-5	+1.1	-9	+4.5
Tenn.	1,035	32,337	20.15	+2	+4	+4.1	+5.9
Tex.	5,021	136,518	27.19	+5	+1.0	+16.7	+31.2
Utah	147	6,343	43.15	+1.4	+4.4	+14.8	+23.6
Vt.	160	5,114	31.96	-1.2	-7	-2.4	+1.6
Va.	1,014	20,372	20.09	-5	+2.4	+6.0	+14.7
Wash.	629	38,326	60.93	-8	+8	+7.9	+22.0
W. Va.	854	16,282	19.04	+8	+2.8	+5.7	+11.0
Wis.	1,323	42,854	32.39	-8	+2	-3.4	+4.8
Wyo.	109	4,701	43.13	-1.8	-2.2	-6.8	+2.8

¹ For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. Figures in italics represent programs administered without Federal participation. Data exclude program administered without Federal participation in Connecticut, which administers such program concurrently with program under the Social Security Act. Alaska does not administer aid to the blind. All data subject to revision.

² Under plans approved by the Social Security Administration.

³ Average payment not calculated on base of less than 50 recipients; percentage change, on less than 100 recipients.

⁴ Payments under approved plan first made in November 1945.

⁵ Estimated.

⁶ Represents statutory monthly pension of \$30 per recipient; excludes payments for other than a month.

lieved to have resulted from the assurance of increased Federal participation beginning in October, when the 1946 amendments to the public assistance titles of the Social Security Act became effective.

Table 10.—Aid to dependent children: Recipients and payments to recipients, by State, September 1946¹

State	Number of recipients		Payments to recipients		Percentage change from—					
	Families	Children	Total amount	Average per family	August 1946 in—			September 1945 in—		
					Number of—		Amount	Number of—		Amount
					Families	Children		Families	Children	
Total.....	323,360	829,309	\$17,918,209	\$55.41	+1.5	+1.5	+4.0	+25.0	+26.1	+41.6
Total, 50 States ²	323,312	829,206	17,916,615	55.42	+1.5	+1.5	+4.0	+25.1	+26.1	+41.6
Alabama.....	6,921	19,258	198,781	28.72	+1.5	+1.1	+2.4	+29.6	+30.2	+43.2
Alaska.....	149	401	7,184	48.21	+1.4	+6.4	+7.0	(³)	(³)	(³)
Arizona.....	1,845	5,294	73,776	39.99	0	-5	+2	+32.4	+31.6	+33.7
Arkansas.....	4,868	13,126	139,433	28.64	+2.9	+3.0	+19.2	+21.2	+21.2	+32.4
California.....	8,309	20,806	765,198	92.09	+6	-3	+3.3	+30.6	+29.6	+43.1
Colorado.....	3,729	10,194	236,242	63.35	+2.0	+2.1	(³)	+19.3	+19.1	+31.7
Connecticut.....	2,760	6,881	259,868	94.16	+1.6	+1.2	+1.5	+34.4	+32.1	+58.3
Delaware.....	258	743	22,784	88.31	-8	-5	+8.9	-5.1	-4.6	+11.5
District of Columbia.....	901	2,847	65,891	73.13	+4.5	+4.2	+15.5	+46.3	+45.9	+55.3
Florida.....	7,108	17,565	245,043	34.47	+6.4	+7.2	+7.2	+20.9	+20.2	+23.4
Georgia.....	5,062	12,967	142,010	28.05	+1.9	-1.8	+2.7	+27.2	+29.9	+41.3
Hawaii.....	676	2,137	52,926	78.29	+3.7	+3.8	+2.4	+37.7	+40.6	+65.3
Idaho.....	1,509	3,996	112,723	74.70	+1.8	+1.9	+1.9	+27.4	+26.8	+77.2
Illinois.....	21,576	53,073	1,622,349	75.19	+7	+9	-5.0	+9.5	+12.1	+63.8
Indiana.....	6,900	16,789	266,349	38.60	+1.3	+1.8	+2.0	+18.3	+22.5	+24.2
Iowa.....	3,668	9,334	123,614	33.70	+9	+9	+1.1	+21.2	+22.8	+20.0
Kansas.....	3,724	9,560	222,548	53.76	+3.6	+3.8	+5.1	+32.2	+33.5	+54.6
Kentucky.....	5,978	15,614	175,093	29.29	+2	(³)	+5	+23.0	+16.1	+66.9
Louisiana.....	9,786	25,694	380,763	38.91	+1.3	+1.6	+1.9	+11.9	+13.4	+8.1
Maine.....	1,028	4,660	121,872	74.86	+2.0	+2.1	+3.3	+21.5	+22.3	+37.6
Maryland.....	4,005	11,488	149,998	37.45	+2.8	+2.5	+2.2	+35.5	+35.0	+35.1
Massachusetts.....	8,316	20,633	702,819	84.52	+9	+7	+1.6	+16.8	+17.2	+23.1
Michigan.....	17,212	41,312	1,187,098	68.97	-2	+1	+1	+33.3	+32.2	+38.9
Minnesota.....	5,234	13,340	284,084	54.28	+1.2	+1.3	+1.2	+15.5	+15.5	+26.8
Mississippi.....	3,672	9,626	96,292	26.22	+1.5	+1.4	+1.4	+24.9	+25.8	+25.4
Missouri.....	15,746	41,440	458,683	29.13	+1.2	+1.4	+1.6	+40.3	+41.7	+17.0
Montana.....	1,429	3,815	78,250	54.76	+1	+1.0	+1.6	+12.6	+17.6	+23.4
Nebraska.....	2,710	6,450	202,241	74.63	+3.0	+3.4	+9.8	+31.6	+32.4	+95.0
Nevada.....	48	103	1,694	(³)	(³)	(³)	(³)	(³)	(³)	(³)
New Hampshire.....	944	2,423	70,474	74.65	+2.5	+2.6	+4.7	+21.0	+24.3	+32.8
New Jersey.....	3,642	9,207	241,726	66.37	+9	+1.1	+1.6	+16.9	+17.5	+26.8
New Mexico.....	2,939	7,728	107,617	36.62	+7	+7	+1.2	+13.8	+12.8	+11.0
New York.....	30,207	72,810	2,766,797	91.59	+2.5	+2.2	+13.5	+44.7	+46.6	+72.4
North Carolina.....	6,470	17,930	181,893	28.11	+1.0	+3.0	+1.5	+7.4	+14.6	+18.0
North Dakota.....	1,488	4,142	92,888	62.42	+2	-2	+4	+7.1	+7.6	+19.2
Ohio.....	8,359	23,000	493,853	59.08	+1.2	+1.3	+1.8	+14.2	+14.6	+20.0
Oklahoma.....	21,440	52,377	751,614	35.06	+3.1	+3.1	+3.1	+39.8	+41.3	+40.7
Oregon.....	1,406	3,770	129,169	86.34	+2.6	+3.5	+3.6	+22.6	+25.5	+31.9
Pennsylvania.....	33,200	85,755	2,206,220	66.45	+9	+5	+1.9	+44.2	+40.8	+48.2
Rhode Island.....	1,839	4,651	127,755	69.47	+2.4	+1.9	+1.7	+39.1	+37.3	+44.2
South Carolina.....	4,516	13,166	98,136	21.73	+1.1	+1.1	+1.0	+20.8	+19.9	+15.0
South Dakota.....	1,757	4,354	77,301	44.00	+1.1	+1.0	+9.4	+21.5	+23.8	+42.1
Tennessee.....	11,956	31,726	351,630	29.41	+3	+4	+6	+8.8	+10.2	+6.4
Texas.....	10,323	25,534	239,004	23.15	+3.2	+3.2	-2.7	-6.6	+5.2	+3.8
Utah.....	2,140	5,747	164,406	76.83	+1.2	+7	+6	+18.8	+18.3	+23.0
Vermont.....	629	1,670	22,565	36.40	+2	0	-4	+8.2	+12.8	+14.2
Virginia.....	3,732	10,762	127,048	34.04	+1.3	+1.7	+6.7	+7.8	+10.8	+13.6
Washington.....	5,585	13,648	553,693	99.14	+2.8	+3.3	+3.3	+52.6	+50.3	+63.4
West Virginia.....	8,256	22,975	250,113	30.29	+9	+1.1	+3.2	+17.4	+16.6	+27.0
Wisconsin.....	6,390	15,825	444,652	69.59	+7	+3	+6.3	+18.9	+21.6	+42.3
Wyoming.....	335	943	24,108	71.96	+3.7	+3.7	+2.8	+21.8	+23.8	+50.6

¹ For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. Figures in italics represent program administered without Federal participation. Data exclude programs administered without Federal participation in Florida, Kentucky, and Nebraska, which administer such programs concurrently with programs under the Social Security Act. All data subject to revision.

² Under plans approved by the Social Security Administration.
³ Average payment not calculated on base of less than 50 families; percentage change, on less than 100 families.

⁴ Decrease of less than 0.05 percent.

⁵ Increase of less than 0.05 percent.

Social and Economic Data

Social Security and Other Income Payments

All Income Payments to Individuals

Income payments in September—\$13.8 billion—were 8 percent above the total a year earlier but fell 2 percent below the August amount, the first decline since February (table 1). The bulk of the decline—\$318 million—occurred in entrepreneurial income, net rents, and royalties; the rest was in compensation of employees, social insurance and related payments, and military and subsistence allowances. Compared with levels a year earlier, all segments of income payments, except military and subsistence allowances, recorded increases. Gains ranged from nearly 4 percent for compensation of employees to 103 percent for social insurance and related payments. Military and subsistence allowances declined 48 percent and accounted for 1 percent of total income payments this September as against 2 percent a year earlier.

Terminal-leave payments for enlisted personnel of the armed forces, authorized under Public, No. 704 (79th Cong.), began in September. These payments, which are included in compensation of employees, amounted to \$2 million.

Estimated Pay Rolls in Covered Employment, Second Quarter, 1946

After successive declines in the three preceding quarters, wages and salaries turned upward in the second quarter of 1946. The total—\$26.4 billion—represented an increase of \$1.3 billion or 5 percent over the January-March amount, but was \$2.6 billion or 9 percent below that a year earlier (table 2). Covered pay rolls moved upward continuously during the first half of 1946; the second-quarter total was 9 percent above that in the first quarter, and 1 percent above the amount a year earlier. Wages and salaries for some segments of the noncovered group were also above the levels a year earlier, but for the group as a whole payments declined 27 percent. The bulk of noncovered pay rolls consists of government salaries,

which in the second quarter were more than \$3 billion below the April-June 1945 level. Government pay rolls reached a peak of \$2.6 billion in June 1945 and then declined each month to less than \$1.5 billion this June; the April-June total of \$4.5 billion was more than half a billion dollars below that for the first quarter of 1946. Wages in domestic service were also less than in April-June 1945, but railroad and agricultural wages were up more than 10 percent.

Wages and salaries covered by old-age and survivors insurance increased more rapidly than did all wages and salaries. A 9-percent rise from the first-quarter figure brought these pay rolls to \$18.9 billion for the second quarter, or 2 percent more than in the corresponding quarter last year. As

a result, pay rolls covered by the program represented 72 percent of all wages and salaries in the second quarter as compared with 69 percent in the preceding 3 months and 64 percent a year earlier.

Since pay rolls covered by State unemployment insurance laws are, for the most part, also covered by old-age and survivors insurance, the trend in the former closely follows that of the latter program. The primary difference occurs when the trend in pay rolls of small firms covered by old-age and survivors insurance but not by State laws differs from that of larger firms. In relation to all wages and salaries, pay rolls covered by State laws formed a larger proportion of the total in the second quarter than in the first—63.6 percent as compared with 62.3 percent—while, for the second quarter of 1945, less than 60 percent of all wages and salaries were

Table 1.—Income payments to individuals, by specified period, 1936-46¹

[In millions; data corrected to Nov. 5, 1946]

Year and month	Total ²	Compensation of employees ³	Entrepreneurial income, net rents, and royalties	Dividends and interest	Public aid		Social insurance and related payments ⁴	Military and subsistence allowances ⁵
					Work relief ⁶	Direct relief ⁷		
1936.....	\$68,024	\$40,027	\$13,003	\$9,785	\$2,155	\$672	\$955	-----
1937.....	72,365	44,689	14,162	9,501	1,639	836	1,020	-----
1938.....	66,135	40,845	12,369	8,233	2,094	1,008	1,529	-----
1939.....	70,793	43,870	13,441	8,891	1,870	1,071	1,616	-----
1940.....	76,210	48,218	14,313	9,175	1,578	1,097	1,801	-----
1941.....	92,710	60,262	18,599	9,761	1,213	1,112	1,744	-----
1942.....	117,311	79,970	23,933	9,771	586	1,061	1,844	\$136
1943.....	143,089	101,813	27,161	10,389	57	940	1,703	1,020
1944.....	156,721	112,043	28,017	11,195	-----	942	1,970	2,548
1945.....	160,607	111,360	29,894	12,304	-----	990	2,925	2,949
1945								
September.....	12,817	8,797	2,359	1,051	-----	83	261	259
October.....	12,952	8,792	2,428	1,060	-----	85	328	254
November.....	13,192	8,895	2,551	1,068	-----	87	355	232
December.....	13,102	8,838	2,537	1,073	-----	88	371	192
1946								
January.....	13,069	8,648	2,626	1,079	-----	90	458	165
February.....	12,969	8,481	2,690	1,084	-----	92	486	134
March.....	13,141	8,670	2,631	1,091	-----	94	540	113
April.....	13,234	8,739	2,609	1,098	-----	93	565	130
May.....	13,421	8,747	2,745	1,107	-----	94	575	152
June.....	13,486	8,839	2,717	1,127	-----	95	573	134
July.....	14,029	9,027	3,069	1,143	-----	96	558	125
August.....	14,111	9,164	3,004	1,153	-----	97	553	139
September.....	13,793	9,124	2,743	1,161	-----	98	531	135

¹ Compensation of employees; entrepreneurial income, net rents, and royalties; and dividends and interest adjusted for seasonal variation.

² Includes veterans' bonus; September payments were \$900,000.

³ Wage and salary payments minus deductions for employee contributions to social insurance and related programs. Includes industrial pensions, payments to the armed forces, mustering-out pay, and, beginning September 1946, terminal-leave pay.

⁴ Earnings of persons employed by NYA, WPA, and CCC.

⁵ Payments to recipients under 3 special public assistance programs and general assistance, value of food stamps under food stamp plan, and farm subsistence payments.

⁶ Payments of old-age and survivors insurance, railroad retirement, Federal, State, and local retirement, workmen's compensation, State unemployment insurance, railroad unemployment insurance, veterans' pensions and compensation, and readjustment allowances to unemployed and self-employed veterans.

⁷ Government portion of payments to dependents of members of the armed forces (portion deducted from military pay included under compensation of employees as part of military pay rolls) and subsistence allowances to veterans under the Servicemen's Readjustment Act of 1944.

Source: Department of Commerce, Office of Business Economics.

covered by State unemployment insurance laws.

An increase in railroad pay rolls over the level a year earlier, combined with a decrease in total wages and salaries, brought these payments to 4.5 percent of the second-quarter total, as compared with 3.9 percent in April-June 1945. Railroad wages increased from the first quarter at about the same rate as total wages and salaries and represented 4.5 percent of the total in both quarters.

Social Insurance and Related Payments

Payments under selected social insurance and related programs, declining for the second successive month, amounted to \$424 million in September (table 3), 7 percent less than in August. Most of the decline occurred in unemployment insurance benefits, which dropped by \$41 million. Payments under the selected programs accounted for 80 percent of

all social insurance and related payments in September, as estimated by the Department of Commerce; a year earlier, these payments accounted for less than three-fourths of all such payments.

Disbursements under both the State and veterans' unemployment insurance programs fell off sharply in September, each declining by nearly one-fifth. Railroad unemployment insurance benefits, on the other hand, increased 7 percent, but the absolute gain was small. Insured unemployment under all three programs dropped 12 percent—from 2.7 million persons a week in August to 2.4 million in September. In the last week of August, insured unemployment under the State programs fell below 1 million for the first time since the corresponding week in 1945, and remained below this mark throughout September. Declines have been almost continuous since August 17 in unemployment insured under the veterans' program; in September, about 1.5 million veterans were in insured status, whereas the average for August was more than 1.6 million. Insured railroad unemployment increased almost continuously since the week ended August 24, to about 53,400 for the last week in September, a gain of 13 percent during the 5-week period.

Monthly retirement and survivor payments under the Social Security Act continued upward in September and were 47 and 23 percent, respectively, above the amounts a year earlier. Retirement, disability, and survivor benefits paid under the railroad program fell off somewhat from August levels but were 9 percent more than in September 1945. Disability payments to veterans were nearly twice those a year earlier, while monthly benefits to survivors of veterans were up 39 percent. Benefits under old-age and survivors insurance to survivors of veterans, authorized in the 1946 amendments to the Social Security Act, became payable in September and are included in the benefit data presented in the old-age and survivors insurance section and in table 3 in this section.

During the first 9 months of 1946, benefit payments under some programs exceeded disbursements for the entire year 1945. Among these were

Table 2.—Estimated pay rolls in employment covered by selected programs¹ in relation to all wages and salaries, by specified period, 1937-46

[Data corrected to Oct. 25, 1946]

Period	All wages and salaries ²	Old-age and survivors insurance ³	Railroad retirement ⁴	State unemployment insurance ⁵	Railroad unemployment insurance ⁶
Amount (in millions)					
Calendar year:					
1937.....	\$45,053	\$32,770	\$2,290	(⁶)	\$2,290
1938.....	41,247	29,026	2,028	\$26,200	2,028
1939.....	44,313	32,222	2,161	29,069	2,161
1940.....	48,707	35,668	2,273	32,450	2,273
1941.....	60,885	45,417	2,687	42,146	2,687
1942.....	80,793	58,147	3,382	54,796	3,382
1943.....	102,932	69,747	4,085	66,106	4,085
1944.....	113,031	73,310	4,507	69,121	4,507
1945.....	111,444	71,311	4,514	65,930	4,514
1945					
Jan.-Mar.....	28,302	18,214	1,130	17,170	1,130
Apr.-June.....	28,924	18,511	1,141	17,210	1,141
July-Sept.....	27,280	17,054	1,136	15,800	1,136
Oct.-Dec.....	26,938	17,532	1,107	15,750	1,107
1946					
Jan.-Mar.....	25,095	17,307	1,125	15,630	1,125
Apr.-June.....	26,363	18,887	1,180	16,780	1,180
Percent of all wages and salaries					
Calendar year:					
1937.....	100.0	72.7	5.1	(⁶)	5.1
1938.....	100.0	70.4	4.9	63.5	4.9
1939.....	100.0	72.7	4.9	65.6	4.9
1940.....	100.0	73.2	4.7	66.6	4.7
1941.....	100.0	74.6	4.4	69.2	4.4
1942.....	100.0	72.0	4.2	67.8	4.2
1943.....	100.0	67.8	4.0	64.2	4.0
1944.....	100.0	64.9	4.0	61.2	4.0
1945.....	100.0	64.0	4.1	59.2	4.1
1945					
Jan.-Mar.....	100.0	64.4	4.0	60.7	4.0
Apr.-June.....	100.0	64.0	3.9	59.5	3.9
July-Sept.....	100.0	62.5	4.2	57.9	4.2
Oct.-Dec.....	100.0	65.1	4.1	58.5	4.1
1946					
Jan.-Mar.....	100.0	69.0	4.5	62.3	4.5
Apr.-June.....	100.0	71.6	4.5	63.6	4.5

¹ Includes data for Alaska and Hawaii. Pay roll in these 2 Territories covered by State unemployment insurance programs has ranged from \$18 million to \$78 million per quarter.

² Data from the Department of Commerce, the Office of Business Economics. Quarterly data have been adjusted to correct for distribution of bonus payments. Represents estimated wages and salaries paid in cash and in kind in continental United States and, in addition, Army and Navy pay rolls in all other areas. Includes employee contributions to social insurance and retirement programs. Because estimates of all wages and salaries are built up by industry groups, amount in covered and noncovered employment cannot be determined precisely. While the estimated amount in covered employment included within this total differs from pay rolls in covered employment as given in this table, the difference is so small that it does not invalidate relationship of covered pay rolls to total. Commerce estimates relate to calendar quarters; estimates for pay rolls covered by old-age and survivors insurance, railroad retirement, and unemployment insurance relate to pay periods ended in calendar quarters.

³ Taxable wages plus estimated nontaxable wages in excess of \$3,000 earned in employment covered by program.

⁴ Taxable wages plus nontaxable wages in excess of \$300 per month.

⁵ Taxable wages plus nontaxable wages earned in employment covered by program; excludes earnings of railroad workers covered by State laws through June 1939. Data for 1945 and 1946 estimated.

⁶ Not available.

⁷ Preliminary.

Table 3.—Selected social insurance and related programs, by specified period, 1940-46

[In thousands; data corrected to Nov. 26, 1946]

Year and month	Total	Retirement, disability, and survivor programs										Unemployment insurance programs			Readjustment allowances to self-employed veterans ¹³	
		Monthly retirement and disability benefits ¹				Survivor benefits						Rhode Island sickness compensation ¹⁰	State unemployment insurance laws ¹⁰	Service-men's Readjustment Act ¹¹		Railroad Unemployment Insurance Act ¹²
		Social Security Act ²	Railroad Retirement Act ³	Civil Service Commission ⁴	Veterans Administration ⁵	Social Security Act ⁶	Railroad Retirement Act ³	Veterans Administration ⁷	Social Security Act	Railroad Retirement Act ³	Civil Service Commission ⁴	Veterans Administration ⁸				
Number of beneficiaries																
1945																
September.....	619.9	169.5	89.9	1,309.3	560.1	4.4	628.8	12.1	1.8	1.4	4.7	5.0	612.1	73.2	2.1	12.3
October.....	644.2	170.5	90.9	1,389.8	573.8	4.4	656.1	17.1	1.5	1.7	5.0	4.9	1,271.7	122.9	5.8	12.6
November.....	669.1	171.8	91.7	1,464.8	586.7	4.4	680.2	12.8	1.4	1.3	4.1	4.5	1,313.4	217.7	9.3	13.5
December.....	690.9	172.9	92.5	1,533.6	597.3	4.4	697.5	13.2	1.3		3.8	4.4	1,319.0	405.0	12.7	21.1
1946																
January.....	716.7	174.2	93.7	1,620.7	607.8	4.4	725.0	17.8	1.8	2.6	4.5	4.4	1,624.3	695.5	21.9	44.0
February.....	743.9	175.7	94.5	1,714.5	618.6	4.5	736.9	15.0	1.5	1.7	4.0	4.5	1,621.0	1,071.1	40.3	63.2
March.....	773.3	177.4	95.7	1,866.5	630.4	4.5	751.0	15.9	1.8	1.5	5.3	4.7	1,591.8	1,507.2	51.0	141.9
April.....	799.1	178.6	96.8	1,984.7	641.9	4.5	760.0	17.0	2.0	1.5	4.6	5.3	1,402.4	1,626.1	51.7	233.0
May.....	821.4	179.8	98.0	2,069.0	652.7	4.5	783.3	17.3	1.7	2.1	4.5	7.6	1,314.9	1,742.7	66.7	279.2
June.....	840.7	180.6	99.1	2,130.4	661.4	4.5	789.8	16.2	1.7	2.7	4.5	7.4	1,174.1	1,781.5	74.9	261.8
July.....	860.5	181.6	100.5	2,179.7	667.4	4.5	790.0	15.1	1.7	2.6	4.5	6.6	1,068.7	1,724.3	42.6	326.8
August.....	880.4	182.5	101.6	2,203.1	673.5	4.5	804.7	16.6	1.7	2.2	4.5	5.8	975.4	1,669.2	49.1	332.5
September.....	896.3	183.4	102.7	2,237.2	682.8	4.5	817.4	12.9	1.4	1.7	4.5	4.8	839.0	1,476.3	51.8	249.9
Amount of benefits ¹⁴																
1940.....	\$1,188,702	\$21,074	\$114,166	\$62,019	\$317,851	\$7,784	\$1,446	\$105,090	\$11,736	\$2,497	\$5,810	\$3,960	\$318,700	\$15,961		
1941.....	1,085,498	55,141	119,912	64,933	320,561	25,454	1,559	111,799	13,328	3,421	6,170	4,352	344,321	14,537		
1942.....	1,130,721	80,305	122,806	68,115	325,265	41,702	1,603	111,193	15,038	4,114	6,108	4,120	344,084	6,287		
1943.....	1,021,463	97,257	125,795	72,961	331,350	57,763	1,704	116,133	17,830	5,560	7,344	4,350	\$2,857	79,643	917	
1944.....	1,119,684	119,009	129,707	78,081	456,279	76,942	1,765	144,302	22,146	6,591	7,863	4,784	5,035	62,385	\$4,113	\$102
1945.....	2,067,434	157,391	137,140	85,742	697,830	104,231	1,772	254,238	26,135	8,138	10,244	5,049	4,669	445,866	114,955	2,359
1946																
January.....	190,468	13,154	11,559	7,246	63,558	8,494	150	23,164	1,697	736	672	453	367	50,439	7,457	118
October.....	263,582	13,709	11,630	7,337	69,602	8,705	148	25,511	2,432	658	835	532	355	106,449	14,088	337
November.....	277,992	14,260	11,757	7,377	71,174	8,905	147	24,292	1,809	588	700	437	329	108,555	25,770	553
December.....	302,050	14,736	11,864	7,440	76,722	9,065	149	26,845	1,857	578	366	356	317	106,624	42,244	777
1946																
January.....	378,908	15,339	11,997	7,542	80,183	9,234	150	26,511	2,539	812	1,396	477	325	133,246	83,322	1,351
February.....	400,771	15,969	12,085	7,560	83,229	9,405	149	26,246	2,154	751	908	416	303	120,727	112,195	2,207
March.....	463,134	16,635	12,238	7,670	92,277	9,597	150	25,924	2,263	883	883	465	343	127,013	148,956	3,210
April.....	475,562	17,200	12,332	7,861	96,965	9,777	152	26,919	2,442	883	942	470	385	110,672	160,071	3,175
May.....	472,391	17,690	12,388	7,970	99,344	9,943	149	27,025	2,461	797	1,250	460	551	103,889	155,175	4,238
June.....	452,803	18,122	12,419	7,987	98,554	10,089	152	25,986	2,335	792	1,473	460	533	92,982	148,841	4,414
July.....	462,850	18,577	12,561	8,020	103,000	10,195	153	26,400	2,187	818	1,477	460	477	88,408	152,673	2,470
August.....	454,056	19,026	12,600	8,112	105,200	10,300	155	27,000	2,266	854	1,213	460	417	78,047	150,946	3,179
September.....	423,700	19,379	12,565	8,342	120,265	10,447	151	23,116	1,892	692	987	460	339	63,215	124,082	3,409

¹ Old-age retirement benefits under all acts, disability retirement benefits under the Railroad Retirement and the Civil Service Retirement Acts, and disability payments to veterans.

² Primary and wife's benefits and benefits to children of primary beneficiaries. Partly estimated.

³ Age and disability annuitants and pensioners as of last day of month. Payments represent amounts certified, minus cancellations. Widows receiving both survivor and death-benefit annuities are counted twice, but 2 or more individuals sharing 1 death-benefit annuity are counted as 1. Monthly payments to survivors include annuities to widows under joint and survivor elections and 12-month death-benefit annuities to widows and next of kin.

⁴ Retirement and disability benefits include survivor benefits under joint and survivor elections; not adjusted for suspension of annuities of persons reemployed under the National Defense Acts of June 28, 1940, and Jan. 24, 1942. Payments principally from civil-service retirement and disability fund but also include payments from Canal Zone and Alaska Railroad retirement and disability funds administered by the Civil Service Commission. Monthly retirement payments include accrued annuities to date of death paid to survivors. Refunds to employees leaving the service are not included but are summarized twice a year in the Bulletin.

⁵ Veterans' pensions and compensation.

⁶ Widow's, widow's current, parent's, and child's benefits. Partly estimated. September 1946 figures include first benefits to survivors of veterans of World War II who died within 3 years of discharge.

⁷ Payments to widows, parents, and children of deceased veterans.

⁸ Number of decedents on whose account lump-sum payments were made, and

amount of such payments. September 1946 figures include first payments to survivors of veterans under 1946 amendments to the Social Security Act.

⁹ Payments for burial of deceased veterans.

¹⁰ Number represents average weekly number of beneficiaries. Annual amounts adjusted for voided benefit checks; monthly amounts not adjusted. State unemployment insurance data for September 1946 partly estimated.

¹¹ Readjustment allowances to unemployed veterans only. Number before May 1946 represents average weekly number of veterans paid unemployment allowances during weeks ended in the month; number beginning May 1946 represents average weekly number of continued claims during weeks ended in the month.

¹² Number represents average number of persons receiving benefits for unemployment in a 14-day registration period. Annual amounts adjusted for underpayments and recoveries of overpayments; monthly figures not adjusted.

¹³ Number of veterans and amount paid during month under the Servicemen's Readjustment Act.

¹⁴ Preliminary estimate by the Veterans Administration.

¹⁵ Payments to individuals: annual and lump-sum payments (amounts certified, including retroactive payments) and monthly payments in current-payment status, under the Social Security Act; amounts certified under the Railroad Retirement Act (including retroactive payments) and the Railroad Unemployment Insurance Act; disbursements minus cancellations, under the Civil Service Commission and the Veterans Administration programs; checks issued by State agencies, under State unemployment insurance and Rhode Island sickness compensation programs and under the Servicemen's Readjustment Act.

Source: Based on reports of administrative agencies.

retirement payments under the Social Security, disability payments to veterans, and benefits under each un-

Table 4.—Estimated employment covered by old-age and survivors insurance and by unemployment insurance, and employment in selected industries, for the second half of 1945 and the first half of 1946

[In millions]		
Type of employment	July-December 1945	January-June 1946
1. Employment in an average week:		
Civilian labor force.....	53.7	56.3
Unemployed.....	1.4	2.5
Employed, total.....	52.3	53.8
Covered by old-age and survivors insurance.....	29.0	30.8
Covered by unemployment insurance.....	26.4	27.4
Not covered by old-age and survivors insurance.....	23.4	23.0
Railroad.....	1.7	1.6
Government.....	5.3	5.5
Federal.....	2.5	2.3
State and local.....	2.8	3.2
Agriculture.....	8.6	8.0
Nonagricultural self-employed.....	4.9	5.2
Domestic service, non-profit, etc.....	2.9	2.7
2. Employment in average pay period:		
Covered by unemployment insurance.....	27.4	28.0
Railroad.....	1.7	1.6
Federal Government.....	2.7	2.4
State and local government.....	3.1	3.1
3. Employment during a quarter (average for 2 quarters) covered by old-age and survivors insurance.....	34.6	35.9

Source: Data on employment in average week: civilian labor force, unemployed and total employed, from *Monthly Report on the Labor Force*, Bureau of the Census; break-down of employment, covered and not covered by old-age and survivors insurance, estimated by Analysis Division, Bureau of Old-Age and Survivors Insurance; employment covered by unemployment insurance, estimated by the Bureau of Employment Security. Data on employment in average pay period: covered by unemployment insurance, from the Bureau of Employment Security; for railroads, from the Railroad Retirement Board; for Federal, State, and local governments, from the Bureau of Labor Statistics. Employment during a quarter covered by old-age and survivors insurance, from the Bureau of Old-Age and Survivors Insurance.

employment insurance program. Unemployment allowances to veterans passed the \$1 billion mark for 1946 in August, and the total for the first 9 months exceeded \$1.2 billion. State unemployment insurance payments, though currently declining, exceeded \$900 million for the January-September period, and the total for 1946 will be about twice that in 1940, the year of highest annual payments to date.

Employment Covered by Social Insurance

Estimates of total employment, employment covered under social insurance programs, and noncovered employment were carried in the April 1945 BULLETIN (pp. 37-38), together with a discussion of the basis for the estimates and the qualifications to be used in interpreting the data.

In preparing the estimates, extensive use was made of data from the *Monthly Report on the Labor Force* of the Bureau of the Census. An improvement in the interviewing procedures used for the *Monthly Report* resulted in figures for July 1945 and subsequent months which are not comparable with those for earlier months. For July 1945, data are available on both the new and the old schedule basis.

The major effect of the change in procedures was to raise the civilian employment estimate for July 1945 by about 900,000 in nonagricultural and 700,000 in agricultural employment. The estimate of workers covered by old-age and survivors insurance was increased by about 500,000. Women

who had previously been reported as engaged in their own home housework accounted for most of these increases. School-age boys and girls were responsible for an approximate decrease of 200,000 in the estimated number not in the labor force because of school attendance, and for a corresponding increase in the employment figure. Most of these workers had what appeared to be part-time work, although a substantial number were working 35 hours or more. A large part of the increase in agricultural employment resulted from classifying persons as employed when they had 15 hours or more at unpaid work on their family farms. Previously they had been excluded from the employed group because their work had been considered "incidental chores."¹

Since the monthly labor-force data for the months before July 1945 have not yet been adjusted to take account of differences between the old and new procedures, it has not been possible to revise table 3 of the April BULLETIN. We are, however, showing data on coverage under various social insurance systems which make use of the revised labor-force figures for the period July 1945-June 1946 (table 4); table 5, which is not based on the labor force data, covers the period 1940 through 1945.

The measurements of employment as shown in the two tables differ not only in the time periods to which they relate but also in the nature of the basic data. The figures for an average week, shown in the first part of table 4, are obtained from a sample population census and enumerate each individual only once, even though he may hold two or more jobs concurrently or during the course of the survey week. The second and third group of figures in table 4 and the first set in table 5 are all based on employers' reports. In the latter figures, an individual who works for more than one employer during the period covered will be reported by each employer and counted each time he is reported. The extent to which workers are duplicated because of turn-over and dual job-holding increases, of course, as the period to which the employment estimates re-

Table 5.—Estimated employment by type of coverage and number of persons by insured status under old-age and survivors insurance, 1940-45

[In millions]						
Coverage and insured status	1940	1941	1942	1943	1944	1945
1. Employment during a year covered by:						
Old-age and survivors insurance.....	35.4	41.0	46.4	47.7	46.3	46.4
Unemployment insurance.....	31.9	37.6	43.0	44.0	43.0	42.5
Railroad retirement insurance.....	1.7	2.0	2.5	2.8	3.0	3.1
2. Insured status under old-age and survivors insurance: ¹						
Living persons with wage credits.....	44.8	50.9	58.6	65.7	70.2	73.2
Fully insured.....	24.2	25.8	28.1	29.9	31.8	33.8
Currently insured only.....	.7	1.7	3.1	5.0	6.6	7.7
Uninsured.....	19.9	23.4	27.4	30.8	31.8	31.7

¹ As of January 1 of following year.

Source: Data on employment during year and insured status under old-age and survivors insurance, from the Bureau of Old-Age and Survivors Insurance;

on employment covered by unemployment insurance, from the Bureau of Employment Security; on railroad employment, from the Railroad Retirement Board.

¹ For further discussion of the effect of change in procedures, see *Monthly Report on the Labor Force*, Sept. 20, 1945, pp. 4-5.

late is lengthened. It is estimated, for instance, that in the first half of 1945 some 34 million workers, on the average, were employed during a quarter in industries covered by old-age and survivors insurance, while only 29 million were employed in an average week.²

The data shown in table 4 will be published here at 6 months' intervals; the data in table 5 will be presented annually. When the Census Bureau has adjusted its figures for 1940-44 to make them comparable with the current data, the time series on covered employment in an average week (the first section of table 3 of the April 1945 BULLETIN) will be revised.

²For a more complete discussion of the differences between the various estimates see the April 1945 Bulletin, p. 37.

State Tax Revenues in the Reconversion Period

From a fiscal standpoint, the reconversion has proved to be a favorable period for the States. Their tax revenues during the fiscal years ending in 1946 continued for the most part the rising trend established during the war. The favorable financial position which the States have attained during the past 5 years has been aided, moreover, by the subnormal expenditure levels that resulted from wartime shortages of manpower and materials. With a potential upward adjustment in expenditures, however, prospective trends of State government finances are not entirely clear. Since the post-war effectiveness of public assistance under the social security program will be affected to some degree by the financial condition of State and local governments, a review of recent developments in State government finances provides a background for appraising future prospects.

State Tax Collections

Total tax collections (including unemployment insurance contributions) of the 48 States combined increased by \$350 million, or 6.2 percent, from 1945 to 1946 (table 6). General tax revenue (excluding unemployment insurance contributions) rose \$569 million, or 13.1 percent, on top of an increase of 31.3 percent in the years

Table 6.—State tax collections, fiscal years ended in 1940, 1945, and 1946

Type of tax	Amount (in millions)			Percentage change		Percentage distribution, 1946
	1940	1945	1946	1940-46	1945-46	
Total.....	\$4,157	\$5,603	\$5,953	+43.2	+6.2	-----
Unemployment insurance.....	844	1,254	1,034	+22.5	-17.7	-----
General taxes.....	3,313	4,350	4,919	+48.5	+13.1	100.0
General sales, use, etc.....	499	776	901	+80.6	+16.1	18.3
Motor-vehicle fuels.....	839	696	900	+7.3	+29.3	18.3
Alcoholic beverages.....	193	310	400	+107.3	+29.0	8.1
Tobacco products.....	97	145	199	+105.2	+37.2	4.0
Public utilities.....	78	147	133	+70.5	-9.7	2.7
Other sales, including insurance.....	164	231	277	+68.8	+20.0	5.6
Motor-vehicle and operators' licenses.....	387	414	456	+17.8	+10.1	9.3
Corporation licenses.....	107	114	116	+8.4	+1.8	2.4
Alcoholic-beverage licenses.....	62	86	66	+6.5	-13.8	1.3
Other licenses, including hunting and fishing.....	127	123	136	+7.1	+10.6	2.8
Individual income.....	206	360	395	+91.7	+9.7	8.0
Corporation income.....	155	454	436	+181.3	-4.0	8.9
Property.....	260	276	227	+12.7	-17.8	4.6
Health and gift.....	113	136	143	+26.5	+5.1	2.9
Severance.....	53	83	90	+69.8	+8.4	1.8
Other.....	51	38	44	-13.7	+15.8	.9

Source: Bureau of the Census, *Financial Statistics of States, 1940, State Tax Collections in 1945, and State Tax Collections in 1946*.

from 1940 to 1945. In the whole period 1940-46, the general tax revenues rose from \$3,313 million to \$4,919 million, or almost 50 percent.¹

Sales-tax collections were responsible for about one-fourth of this total increase, taxes on alcoholic beverages and tobacco products, for nearly one-fifth, and individual and corporation income-tax collections, for nearly a third. It is apparent that tax sources directly related to consumer incomes and spending were largely responsible for the big jump in State tax revenue between 1940 and 1946.

This 48.5-percent rise in State tax collections did not, however, match the growth in State income payments, which doubled from 1940 to 1945. The year-to-year increase in State income payments was 6.7 percent in 1940, 20.5 percent in 1941, 24.4 percent in 1942, 20.6 percent in 1943, 8.9 percent in 1944, and 1.5 percent in 1945. Fiscal-year figures for the corresponding growth in general tax collections were 8.8 percent for 1941, 8.6 percent for 1942, 0.6 percent for 1943, 3.7 percent for 1944, 6.4 percent for 1945, and 13.1 percent for 1946.

¹In addition to taxes, State governments derive their revenues from a variety of other sources. Their nontax revenues other than Federal grants usually exceed \$400 million annually; Federal grants for public assistance, education, highways, and other purposes usually exceed \$750 million annually. Total nontax revenues of the 48 State governments amounted to \$1,180 million in 1940, \$1,222 million in 1944, and \$1,172 million in 1945.

Tax Revenues in 1945-46

Among particular types of State tax revenue in the fiscal year 1945-46, motor-vehicle-fuel taxes showed the greatest increase over the preceding year—\$204 million, or 29.3 percent—as a result of the removal of fuel and rubber-tire rationing and the appearance of new cars on the roads. These collections were actually 7.3 percent higher than in 1940, the last prewar year. The next largest increase in collection income came from general sales taxes, which rose by \$125 million or 16.1 percent. Alcoholic-beverage taxes rose by \$90 million, a smaller dollar amount than the increases realized from other major sources, but the same percentage increase as that for vehicle-fuel taxes.

The \$54 million rise in receipts from taxes on tobacco products amounted to 37.2 percent—a greater percentage increase than for any other tax source. Increases of 10 percent or more occurred in miscellaneous or gross receipts taxes and in miscellaneous licenses, which include hunting and fishing permits. Individual income-tax collections increased 9.7 percent, but a drop in corporation income-tax collections brought the net increase in total income-tax collections to only 2 percent. Property taxes were the only major category to show a decline in total collections, and this drop was largely due to the special circumstance that the 1945 collection figures had included some \$45 million of back taxes collected by New Jersey

during that year; otherwise, the net decline in property-tax collections in 1946 was small.

The percentage increase in general tax revenues varied considerably among the 48 States (table 7). At one extreme, New Jersey collected a much smaller amount in 1946 than in 1945—largely for the reason noted—but its 1946 collections were equal to those realized in 1940. In Florida, on the other hand, revenues increased 49.5 percent over 1945 and were nearly double those in 1940. Washington registered the largest proportionate revenue growth—122.4 percent over the 6-year period; its increase in 1946 was 12.3 percent—just about equal to the average for all States. Thirty-two States exceeded the 13.1-percent increase for the country as a whole in 1946, and 14 showed a smaller-than-average increase. For the entire period 1940-46, 26 States reported revenue increases above the national average increase of 48.5 percent, while 21 States showed a less-than-average increase.

The largest relative increases seem to have occurred in States which derived a substantial proportion of their revenues from consumption taxes or from corporation and individual income taxes. Of the 32 States which showed an above-average increase in 1946, 26 had individual and corporation income taxes, 15 had general sales taxes, and 6 had tobacco or other use or gross receipts taxes. Florida, with the largest percentage increase in 1946, had no income taxes or general sales taxes but levied tobacco and liquor sales taxes, insurance and utility gross receipts taxes, and parimutuel taxes; receipts from the latter rose markedly and, together with a sharp rise in gasoline taxes, sent the State's general tax collections up for the year. The highest percentage increase for the 6 years 1940-1946 occurred in Washington, which reported a substantial increase in its general sales and special sales taxes, such as those on tobacco, alcohol, insurance, and public utilities, and admission taxes.

Table 7.—State tax revenues, fiscal years ended in 1940, 1945, and 1946

State	Amount ¹ (in thousands)			Percentage increase		Per capita revenues	
	1940	1945	1946	1940-46	1945-46	1940	1946
Total.....	\$3,312,644	\$4,349,500	\$4,918,968	48.5	13.1	\$25.29	\$37.53
Alabama.....	45,844	62,789	66,523	45.1	5.9	16.18	23.65
Arizona.....	18,551	22,748	31,337	68.9	37.8	37.16	49.72
Arkansas.....	30,844	43,910	54,629	77.1	24.4	15.82	30.69
California.....	258,732	402,217	476,636	84.2	18.5	37.46	54.02
Colorado.....	33,798	42,406	50,763	50.2	19.7	30.09	45.30
Connecticut.....	44,420	54,915	54,449	22.6	.8	25.99	30.48
Delaware.....	10,530	13,025	15,049	41.6	15.5	39.79	52.47
Florida.....	51,937	67,014	100,217	93.0	49.5	27.37	42.00
Georgia.....	45,923	62,464	81,112	76.6	29.9	14.70	25.41
Idaho.....	11,643	14,043	19,123	64.2	36.2	22.18	38.24
Illinois.....	197,495	219,203	256,572	29.9	17.0	25.01	33.23
Indiana.....	80,206	100,655	107,683	34.3	7.0	23.40	31.32
Iowa.....	63,367	67,025	87,481	38.1	30.5	24.96	38.72
Kansas.....	38,011	47,215	58,417	53.7	23.7	21.11	33.56
Kentucky.....	43,470	53,368	65,439	50.5	22.6	15.28	25.38
Louisiana.....	74,895	101,405	112,890	50.7	11.2	31.68	45.96
Maine.....	20,542	22,725	25,824	25.7	13.6	24.25	32.86
Maryland.....	44,414	50,118	56,587	27.4	12.9	24.39	26.62
Massachusetts.....	121,635	139,372	174,965	43.9	25.6	28.18	41.83
Michigan.....	149,597	195,810	232,483	55.4	18.7	28.46	42.49
Minnesota.....	78,892	90,293	97,594	23.7	8.1	28.25	39.08
Mississippi.....	30,708	52,467	59,790	94.7	14.0	14.06	28.74
Missouri.....	72,819	85,798	111,939	53.7	30.5	19.24	31.47
Montana.....	11,610	14,474	17,211	48.2	18.9	20.75	37.61
Nebraska.....	22,613	28,620	31,364	38.7	22.4	17.19	26.17
Nevada.....	3,654	4,446	5,579	52.7	25.5	33.14	34.91
New Hampshire.....	12,909	13,024	(2)	.....	.....	26.39	.....
New Jersey.....	96,736	168,848	97,358	.6	42.3	23.25	23.18
New Mexico.....	15,676	21,497	27,430	75.0	27.6	29.48	51.25
New York.....	452,870	615,469	672,058	48.4	9.2	33.60	53.40
North Carolina.....	76,257	117,310	137,099	79.8	16.9	21.35	39.12
North Dakota.....	13,857	18,717	20,844	50.4	11.4	21.59	40.01
Ohio.....	198,441	228,479	250,702	26.3	9.7	28.73	36.47
Oklahoma.....	55,856	84,928	103,753	65.6	22.2	23.91	51.00
Oregon.....	25,570	39,131	44,428	73.8	13.5	23.47	36.83
Pennsylvania.....	253,181	268,370	261,156	3.1	2.7	25.57	28.40
Rhode Island.....	15,864	20,137	28,223	77.9	40.2	22.24	37.22
South Carolina.....	31,411	49,342	56,510	79.9	14.5	16.53	29.65
South Dakota.....	15,321	16,252	19,499	27.3	20.0	23.83	35.11
Tennessee.....	43,349	53,825	67,128	54.9	24.7	14.87	23.32
Texas.....	126,855	174,726	184,157	45.2	5.4	19.78	27.13
Utah.....	17,034	25,139	25,959	52.4	17.3	30.95	42.07
Vermont.....	10,307	10,781	13,318	29.2	23.5	28.69	42.91
Virginia.....	46,916	70,453	79,153	68.7	12.3	17.52	25.70
Washington.....	60,487	118,837	134,551	122.4	12.3	34.84	64.42
West Virginia.....	47,250	53,975	61,779	30.7	13.2	24.84	35.82
Wisconsin.....	83,236	120,165	125,814	51.2	14.5	26.53	42.62
Wyoming.....	6,978	7,690	8,701	24.7	13.1	27.83	35.26

¹ Excludes unemployment insurance contributions.

² Data not available.

³ Includes \$44,769,000 back property taxes collected from the railroads, a substantial portion of which is to be distributed to local governments.

⁴ Decrease.

Source: Bureau of the Census, *Financial Statistics of States, 1910, State Tax Collections in 1945, and State Tax Collections in 1946*.

Per capita tax revenues for all States combined increased by \$4.49 in 1946, rising to \$37.53; the increase for the 6-year period was \$12.24 (table 7). In 1940 the range in per capita collections was from \$14.06 in Mississippi to \$39.79 in Delaware; the range in 1946 was from \$23.18 in New Jersey to \$64.42 in Washington, with 26 States below the national average. The percentage increase in tax revenues as related to number of inhabitants has not followed any particular pattern. States with a high level of income and those with a low level have shown above-average increases in tax revenue over the period. The percentage increases in State income pay-

ments as well as in State tax revenues appear, however, to have been greater than the national average in the low-income States which were aided by large military expenditures during the war years.

State Incomes, State Taxes, and Public Assistance

The relationship of State income payments, State tax revenues, and State public assistance expenditures has varied somewhat over the past 6 years (table 8). While State income payments doubled in the Nation as a whole from 1940 to 1945, State tax revenues increased by 48.5 percent from 1940 to 1946 and State public as-

sistance expenditures increased 87 percent in the same period. The changes in individual States, however, varied widely, with the low-income States showing greater deviation from the average in all three series.

Among the 15 highest-income States, only 4 had gains in income payments from 1940 to 1945 that were above the national average; 6 had a tax-revenue growth above the average; and 5 increased their public assistance expenditures by more than the average for all States. Twelve of these 15 spent proportionately more of their total tax revenue for public assistance in 1946 than in 1940. One of the States in the group, however, had lower State expenditures for public assistance in 1946 than in 1940.

In contrast, 14 of the 15 lowest-income States had income-payment increases from 1940 to 1945 that were above the national average; 12 of them had a tax-revenue growth above the average; and 8 increased their public assistance expenditures from 1940 to 1946 at a rate faster than the national average. Eleven of the 15 spent a larger proportion of their tax revenues for public assistance in 1946 than in 1940. None of them actually reduced their expenditures for public assistance.

Tax Sources

The derivation of State tax revenues has an important bearing on the amount of revenue and spendable resources available for different State services. A large portion of State revenue is not available to the general funds of State treasuries, from which public assistance and many other general services are financed. Motor-vehicle-fuel taxes and motor-vehicle and operators' licenses, which usually supply one-third or more of the total State tax revenue, are generally earmarked for State highway funds—to be used for maintenance, new construction, and debt-service payments on the highway debt—or are paid to local governments for similar purposes. Although the relative importance of these sources has declined during the past 5 or 6 years, the restriction on the use of such a large percentage of the total revenue inevitably affects all State services.

In 1946, motor-vehicle-fuel taxes accounted for 18.3 percent of the to-

tal tax collections of the 48 States combined, and motor-vehicle and operators' licenses for another 9.3 percent; together they totaled 27.6 percent, as compared with 25.5 percent in 1945 and more than 37 percent in 1940. On the other hand, the relative importance of general and special sales taxes and individual and corporation income taxes has grown in recent years. General and special sales taxes—which include use, gross receipt, alcoholic-beverage, tobacco, insurance-premium, utility, admission, and pari-mutuel taxes—supplied 38.7 percent of the combined total tax revenue of the 48 States in 1946, as compared with 37 percent in 1945 and only 31.1 percent in 1940. Similarly, corporation and individual income taxes contributed 16.9 percent of total State tax collections in 1946, as against 18.7 percent in 1945 and only 10.9 percent in 1940.

Only 23 States levy general sales taxes, while 32 States impose corpo-

ration and individual income taxes (table 9). All States, however, impose one or more special sales, use, or gross receipts taxes. All States tax insurance premiums, 28 States levy on public utilities, 20 States have pari-mutuel taxes, 13 States tax admissions to theaters and amusements, and 26 States levy other consumer taxes. Because general sales or corporation and individual income taxes are not universally imposed by the States, the relative importance of motor-vehicle-fuel taxes and motor-vehicle and operators' licenses is greater in some States than in others. Revenue from motor-vehicle-fuel taxes and motor-vehicle and operators' licenses, for example, accounted for 56.3 percent of Nebraska's² total tax revenue in 1946; in Tennessee the proportion of taxes from these sources to total tax collec-

² In Nebraska, however, motor-fuel taxes have provided a substantial portion of State revenues expended for public assistance.

Table 8.—Comparison of increase in State tax revenues to increases in per capita income and State expenditures for public assistance for specified periods

State ranked by per capita income	Per capita income ¹		Percentage increase in State tax revenues, fiscal years 1940-46	State expenditures for special types of public assistance ² (fiscal years)				
	Amount, 1945	Percentage increase, 1940-45		Amount (in thousands)		Percentage increase, 1940-46	Percent of total tax collections ³	
				1940	1946		1940	1946
Total, United States ..	\$1.150	100	48.5	\$257,046	\$480,015	86.8	7.8	9.8
15 highest-income States:								
New York	1,595	85	48.4	16,487	30,220	83.3	3.6	4.5
California	1,480	84	84.2	20,002	49,026	145.1	7.7	10.3
Connecticut	1,449	75	22.6	2,843	4,972	74.9	6.4	9.1
Washington	1,407	123	122.4	7,073	31,265	342.0	11.7	23.2
Delaware	1,381	54	41.6	275	281	2.2	2.6	1.9
New Jersey	1,373	71	6	3,974	4,580	15.2	4.1	4.7
Illinois	1,360	87	29.9	17,447	39,661	127.3	8.8	15.3
Massachusetts	1,321	72	43.9	12,996	20,607	58.6	10.7	11.2
Ohio	1,289	112	26.3	19,099	24,952	30.6	9.6	10.0
Rhode Island	1,268	110	77.9	1,112	2,752	147.5	7.0	9.8
Oregon	1,266	119	73.8	2,192	4,062	85.3	8.5	9.1
Nevada	1,243	49	52.7	199	262	31.7	5.4	4.7
Michigan	1,212	87	55.4	13,212	26,670	101.9	8.8	11.5
Maryland	1,212	70	27.4	2,954	2,947	(9)	6.7	3.6
Pennsylvania	1,199	91	3.1	23,570	33,665	42.8	9.3	12.9
15 lowest-income States:								
Arizona	918	94	68.9	1,977	2,790	41.1	10.7	8.9
Texas	917	122	45.2	7,967	28,304	155.3	6.3	15.4
Virginia	903	101	68.7	997	1,577	58.2	2.1	2.0
Oklahoma	889	150	85.6	9,681	21,909	126.3	17.3	21.1
West Virginia	839	111	30.7	2,880	3,450	19.8	6.1	5.6
Tennessee	813	156	54.9	3,128	4,721	50.9	7.2	7.3
New Mexico	812	128	75.0	747	2,152	188.1	4.8	7.8
Louisiana	785	120	50.7	5,260	8,693	65.3	7.5	7.7
Georgia	745	137	76.0	1,862	5,712	206.8	4.1	7.0
Kentucky	735	139	50.5	2,778	4,326	55.7	6.4	6.6
North Carolina	732	132	79.8	1,969	2,391	21.4	2.6	1.8
Alabama	700	161	45.1	1,034	2,390	131.1	2.3	3.6
South Carolina	663	132	79.9	1,558	3,075	97.4	8.0	5.4
Arkansas	654	160	77.1	1,122	3,637	224.2	3.6	6.7
Mississippi	556	175	94.7	1,077	3,637	237.7	3.5	6.1

¹ Includes all civilian and military payments, except payments to military personnel abroad.

² Old-age assistance, aid to the blind, aid to dependent children.

³ Includes administrative expenses for 1941.

⁴ Decrease.

Source: Per capita income from *Survey of Current Business*, August 1946, p. 16; State expenditures for special types of public assistance, from advance releases of the Bureau of Public Assistance, Social Security Administration.

tions in 1946 was 52.1 percent; in Nevada, it was 50.2 percent; in Montana, 50 percent; in Idaho, 47.1 percent; in Virginia, 40.7 percent; in Wyoming, 41.4 percent; in Maine, 40 percent; in Iowa, 43 percent; in Indiana, 38.8 percent; and in Georgia, the proportion was 38.9 percent—all much greater than the national average.

Although State tax sources may be expected to change considerably in the coming years, the amount of State tax revenues realized in the individual States from different sources will have a marked influence on various State services in the future. The expected increase in the number of automobiles and trucks on the roads should raise receipts from motor-vehicle-fuel taxes and motor-vehicle and operators' licenses. Yields from general and special sales taxes and from corporation and individual income taxes may also change somewhat. These changes will affect the amount of general revenue and spendable funds available for different State services in a manner determined by the tax structure and budgetary practices of each State.

Changes in Retirement Programs for Federal Employees*

Retirement Provisions for Members of Congress

The Legislative Reorganization Act of 1946 (Public, No. 601, 79th Cong., approved August 2, 1946) extends the coverage of the Civil Service Retirement Act to Members of Congress, a term which is defined to include Senators, Representatives, Delegates from the Territories, and the Resident Commissioner from Puerto Rico.

While the new provisions are administered by the Civil Service Commission within the general framework of the retirement act, they differ in several instances from provisions for civil-service employees. Coverage is optional and may be elected within 6 months of either the date the legislation was enacted or the date on which the Member of Congress takes his oath of office. There is no compul-

*For other recent changes see the *Bulletin* for September 1946, pp. 47-48, and October 1946, p. 48.

Table 9.—Percent of State tax collections¹ from four major sources, by State, fiscal year ended in 1946

State	Individual and corporation income tax	General sales, use, and gross receipts tax	Motor-vehicle-fuel tax	Motor-vehicle and operator license
Total.....	16.9	18.3	18.3	9.3
Alabama.....	10.4	27.5	24.6	6.8
Arizona.....	12.2	30.8	21.2	5.0
Arkansas.....	6.2	24.4	27.0	8.5
California.....	21.1	37.5	12.8	4.0
Colorado.....	13.7	30.7	17.9	7.8
Connecticut.....	16.2	16.2	16.2	14.0
Delaware.....	9.7	10.0	14.6	8.4
Florida.....	21.2	31.7	34.2	12.5
Georgia.....	23.9	38.2	34.2	4.7
Idaho.....	14.5	41.9	14.5	10.0
Illinois.....	12.2	43.0	27.6	11.2
Indiana.....	8.7	34.2	29.2	13.8
Iowa.....	12.3	37.6	19.9	11.7
Kansas.....	14.3	25.5	25.5	7.8
Kentucky.....	10.0	11.5	20.2	3.8
Louisiana.....	17.1	22.4	22.4	17.6
Maine.....	27.9	21.0	21.0	10.0
Maryland.....	27.9	10.2	13.1	4.6
Massachusetts.....	61.0	13.1	13.1	10.8
Michigan.....	24.1	23.9	23.9	8.5
Minnesota.....	13.2	28.5	25.2	6.3
Mississippi.....	13.6	41.7	11.7	13.3
Missouri.....	13.7	41.0	41.0	9.0
Montana.....	13.7	44.8	44.8	11.5
Nebraska.....	13.7	34.2	34.2	16.0
Nevada.....	5.6	34.9	22.0	19.2
New Jersey.....	48.3	34.9	21.9	8.7
New Mexico.....	27.6	19.4	8.1	7.2
New York.....	10.3	30.4	22.9	9.2
North Carolina.....	10.3	30.4	15.2	8.5
North Dakota.....	12.2	30.1	18.7	12.4
Ohio.....	12.2	23.1	26.6	8.9
Oklahoma.....	61.5	19.4	19.4	8.7
Oregon.....	16.4	19.2	19.2	14.1
Pennsylvania.....	3.9	12.2	12.2	12.0
Rhode Island.....	26.6	27.4	27.4	4.6
South Carolina.....	7.4	30.1	23.7	8.6
South Dakota.....	7.8	40.6	40.6	11.5
Tennessee.....	14.9	32.3	23.4	13.5
Texas.....	14.9	32.3	19.0	6.3
Utah.....	12.1	18.3	18.3	20.5
Vermont.....	20.5	17.7	17.7	11.6
Virginia.....	4.04	49.7	14.7	4.4
West Virginia.....	9.6	61.7	16.7	9.3
Wisconsin.....	35.2	17.1	17.1	12.4
Wyoming.....	35.2	27.5	27.5	13.9

¹ General taxes only, excludes unemployment insurance contributions.

² Motor-vehicle and operators' licenses for 1945.

³ Special income tax on banking corporations.

⁴ Back taxes; income-tax law repealed.

Source: Computed from data in *State Tax Collections in 1946*, Bureau of the Census.

sory retirement age. Monthly benefits are payable for disability after 5 years' service, or for age-and-service retirement at age 62 after 6 years' service. If a member with 6 years' service resigns or is not reelected before age 62, the first payment is deferred to that age. If an annuitant returns to Congress, benefit payments are suspended, and he may increase his subsequent benefit amount by resuming contributions. If a disability annuitant recovers before retirement age but is not reelected within the year following recovery, monthly payments are suspended until he attains age 62.

A Member of Congress, like a civil-service employee, may arrange for a

survivor annuity by electing a reduced employee annuity at the time of retirement; a lump sum consisting of the unexpended balance of his contributions (with interest) is payable when death occurs before retirement or on the death of an annuitant who had not elected a survivor annuity. Refunds of contributions on separation from service, however, are made only if the Member served less than 6 years (instead of 5 as for civil-service employees) and was not retired for disability. If he is later reelected, the Member must redeposit the amount refunded, with interest, before he may become eligible for an annuity.

Only service as a Member of Con-

gress is creditable, and despite the eligibility requirements of 5 or 6 years, no Member is eligible for an annuity until he has made contributions—either by deductions, installments, or a lump sum—covering his last 5 years of service. Service before August 1, 1920, is credited without charge, but credit for service between that date and election of membership must be purchased by contributions at the rate which obtained at the time of service: $2\frac{1}{2}$ percent of basic pay for the period August 1920–June 1926; $3\frac{1}{2}$ percent for July 1926–June 1942; 5 percent for July 1942–August 1, 1946. For service after August 1, 1946, the contribution rate for Members of Congress is 6 percent, although that for civil-service employees remains 5 percent.

The annuity for either disability or age-and-service retirement is computed as $2\frac{1}{2}$ percent of the average annual basic salary as Congressman, multiplied by creditable years of service; there is a maximum limitation of three-fourths of the salary on separation from service. As in the case of civil-service employees, this annuity may be increased for age-and-service retirement by forfeiting death benefits, and a supplementary annuity may be purchased by voluntary deposits in prescribed amounts.

A Member who is eligible for benefits both as a Member of Congress and as a Federal civil-service employee may receive both types of payments concurrently. In computing the annuity for service as a civil-service employee, however, service in Congress (ordinarily credited) is not counted if the Member had at least 6 years' congressional service, part of which was after August 1, 1946.

Retirement of Foreign Service Officers

Declaring as its objectives the development and strengthening of the Foreign Service of the United States, the 79th Congress revised and codified into one act (Public, No. 724, approved August 13, 1946) all provisions of law relating to that service. While the general pattern of the foreign service retirement and disability system was retained,¹ a number of changes, ef-

¹ For a brief summary of the system at the end of 1941, see the *Bulletin*, January 1942, pp. 25–31.

Table 10.—Contributions and taxes under selected social insurance and related programs, by specified period, 1944–46

[In thousands]

Period	Retirement, disability, and survivors insurance			Unemployment insurance		
	Federal insurance contributions ¹	Federal civil-service contributions ²	Taxes on carriers and their employees	State unemployment contributions ³	Federal unemployment taxes ⁴	Railroad unemployment insurance contributions
Fiscal year:						
1944–45.....	\$1,300,919	\$488,719	\$285,038	\$1,251,958	\$184,544	\$131,993
1945–46.....	1,238,218	528,049	282,610	1,009,091	179,930	129,126
3 months ended:						
September 1944.....	348,845	260,196	72,513	337,183	15,342	34,290
September 1945.....	352,036	324,480	69,174	329,292	16,834	32,820
September 1946.....	355,001	288,073	85,414	255,393	13,388	36,015
1945						
September.....	4,731	27,267	59,397	5,870	1,708	31,401
October.....	54,434	23,859	1,468	122,910	2,551	54
November.....	237,766	24,881	8,479	106,116	10,281	845
December.....	6,916	21,664	58,525	7,672	770	31,882
1946						
January.....	32,819	23,692	5,061	96,509	13,292	76
February.....	199,548	21,662	3,461	95,148	106,998	856
March.....	18,367	21,198	64,561	3,607	13,576	31,063
April.....	60,752	21,660	1,349	106,107	3,014	54
May.....	268,945	22,049	5,293	135,903	11,174	834
June.....	6,634	22,872	65,240	5,828	1,440	30,622
July.....	62,317	* 244,223	2,257	95,266	2,245	65
August.....	284,345	23,617	7,017	154,956	9,998	786
September.....	8,339	20,234	75,540	5,370	1,145	35,194

¹ Represents contributions of employees and employers in employments covered by old-age and survivors insurance.

² Represents employee and Government contributions to the civil-service, Canal Zone, and Alaska Railroad retirement and disability funds; Government contributions are now made in July for the entire fiscal year.

³ Represents deposits in State clearing accounts of contributions plus penalties and interest collected from employers and, through April 1946, contributions from employees in 4 States; beginning May 21, 1946, employee contributions in California and,

beginning July 1, 1946, in Rhode Island, are deposited in the respective State sickness insurance funds. Data reported by State agencies; corrected to Oct. 21, 1946.

⁴ Represents taxes paid by employers under the Federal Unemployment Tax Act.

* Represents July contributions of \$21.5 million from employees, and contributions for fiscal year 1946–47 of \$221.5 million from the Federal Government and of \$1.2 million from the District of Columbia for certain District government employees.

Source: *Daily Statement of U. S. Treasury*, unless otherwise noted.

fective November 13, 1946, were made to improve the service by allowing any officer judged incapable either of further development in his present grade or of assuming the responsibility of a higher grade to be "selected out" for separation from service. An officer in Class 2 or 3, who is usually close to retirement age, is eligible for an annuity on being selected out. This annuity is figured on the same basis as that of regularly retired officers. An officer selected out of Class 4 or 5 will receive $\frac{1}{2}$ of his current salary for each year of service, payable in three annual installments beginning on January 1 following his retirement. He may choose a deferred annuity beginning at age 62 or an immediate refund of his contributions with interest. If he dies before reaching age 62, his legal representative will be paid a lump sum consisting of his contributions with interest, except in the case of an officer separated from Class

4, whose widow, if she is his beneficiary, may receive an annuity.

An officer over age 45 who is separated for unsatisfactory service by other than the "selecting-out" process will receive an annuity not greater than 25 percent of his final salary. If he is under age 45, he will receive a lump-sum payment of 1 year's salary or refund of his contributions with interest, whichever is greater.

The compulsory retirement age for officers below the rank of career minister, formerly age 65 with 15 years of service, is reduced to 64 in 1946 and steadily each year thereafter to age 60 on and after November 13, 1950; the 15-year service requirement is retained, however, until November 1950, when it will be abolished. Compulsory retirement at age 65 is stipulated for all career ministers except chiefs of mission, who are exempted. Compulsory retirement of any officer for age may be deferred for as long as

5 years in the public interest. Any officer may retire voluntarily at or after age 50 if he has had 20 years of service. The formula for computing the annual benefit amount (2 percent of average annual basic salary for the last 10 years, maximum \$10,000 per year, multiplied by the number of years served, not exceeding 30) was changed to include the average salary during the last 5 years, maximum \$13,500. A corresponding change from \$10,000 to \$13,500 was made in the maximum annual salary from which employee contributions are deducted.

Provisions for disability retirement were liberalized by requiring only 5 instead of 15 years of service and by crediting the officer with a minimum of 20 years of service in computing the benefit amount. An important change, however, is the stipulation that the disability must be from disease or injury incurred in line of duty. Officers retired for non-service-connected disability will now be eligible only for a refund of their contributions, with interest.

Annuitants now on the roll may have their benefit amount recomputed under these amendments, but their benefits may not be reduced thereby.

Coordination of Army and Navy Retirement Provisions

Public, No. 720 (79th Cong.), approved August 10, 1946, was designed to produce greater uniformity in retirement for members of the Regular Army, Navy, and Marine Corps. Hereafter, transfer of enlisted men from the Regular Navy to the Fleet Reserve, or from the Regular Army to the Enlisted Reserve Corps, will be made at their request after 20 but less than 30 years of aggregate active service in the armed forces. The annual retainer pay for reserve service will be computed as 2½ percent of basic and longevity pay at the time of application for transfer, multiplied by the number of years of active service, with a maximum of 75 percent of pay at the time of application. Men who first enlisted in the Navy before July 1925 may, if they prefer, transfer under the former provisions; that is, after 16 years' active service, with retainer pay of one-third base and longevity pay at

Table 11.—Federal appropriations and expenditures under Social Security Administration programs, by specified period, 1945-47¹

[In thousands]

Item	Fiscal year 1945-46		Fiscal year 1946-47	
	Appropriations ²	Expenditures through September ³	Appropriations ⁴	Expenditures through September ⁵
Total.....	\$908,828	\$208,053	\$1,013,531	\$292,824
Administrative expenses.....	31,833	8,729	34,822	6,795
Federal Security Agency, Social Security Administration ⁴	31,688	6,419	34,672	4,437
Department of Commerce, Bureau of the Census.....	145	22	150	34
Department of the Treasury ⁵	(⁶)	2,287	(⁶)	2,324
Grants to States.....	556,485	129,800	571,709	184,735
Unemployment compensation administration.....	7 58,121	12,319	49,045	17,322
Old-age assistance.....	88,452	88,452	130,468	130,468
Aid to the blind.....	441,000	2,456	484,000	3,841
Aid to dependent children.....	5,820	14,190	11,000	25,711
Maternal and child health services.....	1,257	1,257	1,000	1,272
Services for crippled children.....	3,870	851	7,500	1,008
Child welfare services.....	1,510	330	3,500	401
Emergency maternity and infant care.....	46,164	9,945	16,664	4,714
Benefit payments, old-age and survivors insurance.....	⁷ 320,510	⁸ 60,524	¹⁰ 407,000	⁹ 101,293

¹ Transfer of the Children's Bureau to the Federal Security Agency became effective on July 16, 1946; 1945-46 data for programs administered by the Children's Bureau (maternal and child health services, services for crippled children, child welfare services, and emergency maternity and infant care) included to permit comparison between figures for 2 years.

² Excludes unexpended balance of appropriations for preceding fiscal year.

³ Includes expenditures from unexpended balance of appropriations for preceding fiscal year.

⁴ Represents appropriations and expenditures for salaries and allotments and expenditures from the Federal Security Agency and the Department of Labor appropriations for printing and binding, penalty mail, and traveling expenses.

⁵ Amounts expended by the Treasury in administering title II of the Social Security Act and the

Federal Insurance Contributions Act, reimbursed from old-age and survivors insurance trust fund to general fund of the Treasury.

⁶ Not available because not separated from appropriations for other purposes.

⁷ Includes \$1,078,965 transferred from the Department of Labor as reimbursement for expenditures for employment office facilities and services.

⁸ Maximum grants authorized by the Social Security Act Amendments of 1946; actual appropriations were \$12,705,000, \$8,467,500, and \$4,127,500.

⁹ Actual payments from old-age and survivors insurance trust fund.

¹⁰ Estimated expenditures as shown in 1946-47 budget.

Source: Federal appropriation acts and 1946-47 budget (appropriations); *Daily Statement of the U. S. Treasury* and reports from administrative agencies (expenditures).

transfer, or after 20 years, with half pay. Retainer pay for the Enlisted Reserve Corps was formerly computed as 2½ percent of the average annual pay received during the 6 months preceding transfer, and transfer was permitted only after 20 years' service. Active service during recall from the Reserve will be included in the future in any recomputation of retainer pay on return to inactive status. Persons now on the Reserve rolls may receive increases, but not decreases, resulting from the recomputation of pay according to the new formula, including credit for active service since transferring to the Reserve.

The act also includes amendments to ensure equitable treatment among the service branches for persons disabled while temporarily serving in a rank higher than that regularly held and persons on the retired lists of the Regular Establishment who are temporarily recalled to active service.

Changes in Benefits for Veterans*

Increases for Certain Spanish-American War Veterans

Public, No. 611 (79th Cong.), approved August 7, 1946, and effective September 1, 1946, grants increases in service pensions to certain veterans of the Spanish-American War, Boxer Rebellion, and Philippine Insurrection who were not included in recent legislation providing increases for other veterans of those wars. This liberalization includes 20-percent increases for veterans with 90 days' service who are partially disabled and under age 65, and for veterans with 70 days' service who are partially disabled and have had no pension increase since their original inclusion by the law of

*For other recent changes see the *Bulletin* for September 1946, pp. 46-47 and October 1946, pp. 46-48.

June 2, 1930. For veterans of 70 days' service there is an increase from \$30 to \$50 per month in the pension payable for disability which prevents employ-

ment at manual labor, and in the service pension payable after age 65. For the helpless or blind with 70 days' service the monthly payment is in-

creased from \$50 to \$65. Widows of veterans who served 90 days or who, regardless of length of service, died or were discharged because of a service-

Table 12.—Status of the old-age and survivors insurance trust fund, by specified period, 1937-46

[In thousands]

Period	Receipts		Expenditures		Assets			
	Transfers and appropriations to trust fund ¹	Interest received ²	Benefit payments	Administrative expenses ³	Net total of U. S. Government securities acquired ⁴	Cash with disbursing officer at end of period	Credit of fund account at end of period	Total assets at end of period
Cumulative, January 1937-September 1946.....	\$8,614,516	\$685,520	\$1,205,289	\$107,036	\$7,838,734	\$56,622	\$1,456	\$7,896,812
Fiscal year:								
1944-45.....	1,309,919	123,854	239,834	26,950	1,137,411	35,092	32,007	6,613,381
1945-46.....	1,238,218	147,766	320,510	37,427	1,002,453	49,167	43,527	7,641,428
3 months ended:								
September 1944.....	348,845	3,718	53,150	7,312	267,964	26,898	34,760	5,738,492
September 1945.....	352,036	9,242	69,524	7,428	273,000	39,074	39,351	6,897,706
September 1946.....	355,001	9,242	101,293	7,565	290,000	56,622	1,456	7,896,812
1945								
September.....	4,731	9,242	23,497	2,476	273,000	39,074	39,351	6,897,706
October.....	54,434		25,365	2,838		38,683	65,974	6,923,938
November.....	237,766	99	24,082	2,838	-15,000	42,582	288,020	7,134,883
December.....	6,916	7,371	25,678	2,838	250,490	44,870	21,362	7,120,656
1946								
January.....	32,819	15,371	27,953	3,309	-10,347	44,884	45,275	7,137,583
February.....	190,548		27,707	3,309		46,153	215,538	7,306,114
March.....	18,367	9,242	28,589	3,309	180,000	46,509	30,893	7,301,825
April.....	60,752	26	29,545	3,853	-5,000	47,925	61,857	7,329,206
May.....	268,945		30,855	3,853		48,037	295,982	7,563,443
June.....	6,634	106,415	31,212	3,853	329,310	49,167	43,527	7,641,428
July.....	62,317		33,333	995		56,133	64,548	7,669,416
August.....	284,345		34,553	3,680		52,828	313,966	7,915,528
September.....	8,339	9,242	33,407	2,890	290,000	56,622	1,456	7,896,812

¹ Beginning July 1940; trust fund appropriations equal taxes collected under the Federal Insurance Contributions Act.

² Interest on investments held is credited quarterly or annually; on investments redeemed, in month of redemption.

³ Represents salary payments of the Bureau of Old-Age and Survivors Insurance which, beginning July 1946, are paid directly from the fund and reimburse-

ments to the Treasury for other administrative expenses in connection with administering old-age and survivors insurance; before July 1946, salaries of the Bureau of Old-Age and Survivors Insurance were included with reimbursements.

⁴ Includes accrued interest; minus figures represent net total of securities redeemed.

Source: Daily Statement of the U. S. Treasury.

Table 13.—Status of the unemployment trust fund, by specified period, 1936-46

[In thousands]

Period	Total assets at end of period	Net total of U. S. Government securities acquired ¹	Unexpended balance at end of period	State accounts				Railroad unemployment insurance account			
				Deposits	Interest credited	Withdrawals ²	Balance at end of period	Deposits	Interest credited	Benefit payments	Balance at end of period ³
Cumulative, January 1936-September 1946.....	\$7,515,467	\$7,489,000	\$26,467	\$9,806,626	\$601,314	\$3,681,695	\$6,726,402	\$651,100	\$47,647	\$73,216	\$789,065
Fiscal year:											
1944-45.....	7,315,258	1,437,173	8,084	1,256,003	113,140	70,492	6,679,108	118,794	10,502	785	636,150
1945-46.....	7,449,120	101,827	40,120	1,009,909	130,373	1,128,720	6,690,773	116,214	13,220	17,197	758,347
3 months ended:											
September 1944.....	6,248,160	375,000	3,160	342,273		12,697	5,709,979	30,835		89	538,180
September 1945.....	7,596,118	266,000	22,944	329,497	3,494	91,565	6,920,534	29,538	327	182	675,582
September 1946.....	7,515,467	80,000	26,467	256,373	3,459	224,203	6,726,402	32,414	378	11,400	789,065
1945											
September.....	7,596,118	-20,000	22,944	8,750	3,494	55,040	6,920,534	28,261	327	100	675,582
October.....	7,531,594	-90,000	48,420	42,816		437	107,224	6,856,064	49	41	675,528
November.....	7,606,978	65,000	58,804	183,097	141	106,283	6,931,019	760	13	388	675,957
December.....	7,537,391	-39,990	29,208	8,803	4,341	111,228	6,832,935	28,694	412	608	704,455
1946											
January.....	7,497,917	-50,000	39,733	32,898	57,042	134,146	6,788,831	67	5,644	1,081	709,086
February.....	7,518,918	60,735	60,735	157,391	15	135,621	6,810,616	782	1	1,567	708,302
March.....	7,425,962	-80,000	47,779	7,780	3,705	130,100	6,692,001	27,964	368	2,673	733,961
April.....	7,352,437	-80,000	54,253	39,431	353	110,207	6,621,503	49	40	3,268	730,829
May.....	7,439,485	85,000	56,302	198,765		109,380	6,710,983	751		3,119	728,492
June.....	7,449,120	25,816	40,120	9,630	60,816	90,966	6,690,773	27,559	6,374	4,094	758,347
July.....	7,409,916	-50,000	50,916	40,043	25	83,915	6,646,926	58	3	4,744	762,990
August.....	7,535,267	135,000	41,267	207,952		80,418	6,774,460	740		2,924	760,806
September.....	7,515,467	-5,000	26,467	8,377	3,434	59,870	6,726,402	31,616	375	3,733	789,065

¹ Includes accrued interest; minus figures represent net total of securities redeemed.

² Includes transfers from State accounts to railroad unemployment insurance account amounting to \$106,826,000.

³ Includes transfers from railroad unemployment insurance administration fund amounting to \$56,864,000.

Source: Daily Statement of the U. S. Treasury.

connected condition are now eligible for monthly payments of \$40 instead of \$30.

Increases in Disability Pensions for the Regular Establishment

Public, No. 659 (79th Cong.), approved August 8, 1946, and effective October 1, 1946, liberalizes benefits for members of the Regular Military and Naval Establishments who suffer service-connected disability in time of peace. For disability rated as partial or total the monthly payment is increased by 38 percent, minimum \$10.35, maximum \$103.50. Compensation for specific loss of limb or faculty is increased by 20 percent, with the new schedule ranging from \$41.85 to \$270.00 per month.

Removal of Ceiling From Survivor Benefits

Public, No. 673 (79th Cong.), approved August 8, 1946, removes categorically all maximums stipulated for aggregate monthly benefits payable to the widow and children of a deceased veteran. Formerly the monthly maximum was \$27 with respect to the non-service-connected death of a veteran of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection; \$75 for service-connected death in the Regular armed forces in peacetime and for the non-service-connected death of a veteran of World War I or World War II; and \$100 for service-connected death in World War I or II.

Professional Income of General Practitioners in Great Britain

In connection with discussions on the desirable range of remuneration in general medical practice, the British Government in February 1945 set up an interdepartmental committee with the following terms of reference:

To consider . . . what ought to be the range of total professional income of a registered medical practitioner in any publicly organised service of general medical practice; to consider this with due regard to what have been the normal financial expectations of general medical practice in the past, and to the desirability of maintaining in the future the proper social and economic status of general medical practice and its power to attract a suitable type of recruit to the

profession; and to make recommendations.

The Committee—named the Spens Committee for the chairman, Sir Will Spens—consisted of nine persons: an independent chairman, a Treasury representative, a solicitor, an accountant, a trade-union official, and four general practitioners nominated by the British Medical Association. Eight of the nine signed the report,¹ which was submitted to the Minister of Health in April 1946; the ninth member added a rider of his own.

In carrying out its instructions to have "due regard to what have been the normal financial expectations of general medical practice in the past," the Committee requested information and evidence from the principal medical organizations and other professional groups, from various Government departments, and from the interested public. It used as the factual basis for its recommendations the study of incomes of general practitioners in 1936-38, conducted by the British Medical Association and made available to the Committee.

The income data related to the professional net incomes of general practitioners. A percentage distribution of the practitioners by these income groups and by the age of the practitioners (table 14) showed that "between 40 and 55, that is throughout the best years of a general practitioner's working life, almost 20 per cent . . . had a net income under £700 a year, and over 40 per cent had a net income of under £1,000." Considering the length of training, degree of responsibility, and various other factors involved, the Committee was convinced "that the percentages of low incomes are too high" and "the proportion of practitioners able to reach a net income of £1,300 or over is too low."

Having reached the conclusion that the "percentage spread" of incomes of general practitioners just before the war was unsatisfactory, the Committee went on to determine "what incomes would have been satisfactory, for the purposes with which we are concerned, in terms of the 1939 value of money." It made no attempt to

determine what adjustment of incomes for the years immediately preceding the war would be necessary to produce corresponding incomes today, pointing out, however, that any such adjustment must consider not only the change in the value of money but also actual increases since 1939 in incomes in other professions.

Unless incomes of general practitioners are raised substantially, the report continued, the social and economic status and the recruitment of general medical practice cannot, in the long run, be maintained—even apart from proposals for a publicly organized medical service. Those proposals, moreover, can have very grave repercussions on recruitment of general practitioners in the area of competition of other branches of medicine. In a comprehensive public service, the risks and the practical certainty of several lean years which have deterred young doctors in the past from becoming specialists will be less formidable deterrents. "We, and not least our lay members, consider that it would be disastrous to the profession and to the public if general practitioners were recruited only from the less able young doctors."

The proposed distribution of 1939 incomes which the Committee recommended is shown in the lower half of table 14. "The effect of our proposals can be put very simply by saying that between 40 and 50 years of age approximately three-quarters of general practitioners ought to have achieved a net income of over £1,000 per annum, approximately half ought to have achieved a net income of over £1,300 per annum, approximately a quarter ought to have achieved a net income of over £1,600 per annum and slightly less than 10 per cent, a net income of £2,000 or over." This proposal is equivalent, the report says, to augmenting 1939 net incomes by £200 for incomes between £400 and £1,200, and by a steadily diminishing amount for incomes from £1,200 to a maximum of £2,000.

Age alone should not be the controlling factor, the Committee declared, and younger as well as older men should receive substantially the same remuneration as those between the ages of 40 and 50 for the same burden of practice. "It appeared to us undesirable that men should be less

¹ *Report of the Interdepartmental Committee on Remuneration of General Practitioners*, London, H. M. Stationery Office, May 1946 (Cmd. 6810).

Table 14.—Percentage distributions of general practitioners by 1939 annual net income¹ for each age group

Annual net income (in pounds)	Age group					
	30-34	35-39	40-49	50-54	55-59	60-64
Actual distribution						
Total.....	100.0	100.0	100.0	100.0	100.0	100.0
Less than 700.....	21.7	16.6	20.2	17.5	30.0	33.3
700-1,000.....	34.9	24.9	22.4	23.5	21.9	26.6
1,000-1,300.....	23.5	22.8	21.3	21.9	19.2	15.5
1,300-1,600.....	10.3	19.9	17.4	14.7	12.3	15.0
1,600-2,000.....	6.9	10.2	9.6	10.4	11.5	6.3
2,000 or more.....	2.7	5.6	9.1	12.0	5.0	3.4
Recommended distribution ²						
Total.....	100.0	100.0	100.0	100.0	100.0	100.0
Less than 700.....	10.5	6.6	8.0	7.2	20.4	17.4
700-1,000.....	22.3	16.6	19.1	17.3	15.8	23.2
1,000-1,300.....	35.0	26.6	23.4	24.8	21.9	27.5
1,300-1,600.....	17.8	28.9	23.7	23.7	21.5	17.9
1,600-2,000.....	11.6	17.7	16.7	14.9	15.4	10.6
2,000 or more.....	2.7	5.6	9.1	12.0	5.0	3.4

¹ Incomes of general practitioners in urban areas, after deductions for professional expenses allowed under income-tax law.

² Actual 1939 net incomes augmented by £200 for incomes up to £1,200 and, for incomes over £1,200, by

one-fourth the difference between the income and £2,000.

Source: Report of the Interdepartmental Committee on Remuneration of General Practitioners, London, H. M. Stationery Office, May 1946 (Cmd. 6810) p. 7.

well remunerated merely on the grounds of age, save perhaps, to a very limited extent, when they were carrying the same responsibilities . . . Further, a good chance of achieving success, and of receiving a corresponding income, at an early age is likely to weigh heavily in favor of general as against specialist practice . . .

The report says explicitly that the recommendations are directly concerned only with the amount of "remuneration a general practitioner ought to receive, not with the method or basis of his payment." The Committee recognized, however, that the two cannot be wholly separated, and that "there is a far greater diversity of ability and effort among general practitioners than admits of remuneration by some single scale applicable to all." Men must "be able to feel that more than ordinary ability and effort receive an adequate reward."

Whatever yardstick is adopted to measure such ability and effort, the Committee was convinced that it should not be based on a degree or other qualification, "largely because many of the qualifications that make the best general practitioners are, in fact, unexaminable." The report considers a practicable yardstick the

number of patients who have chosen an individual practitioner as their physician, pointing out that the evidence showed that "capitation affords a method of differentiation which is acceptable to the majority of the profession." The difficulty inherent in achieving such a differentiation under the capitation method "is most likely to arise over the highest and lowest income ranges."

For the men earning low incomes the difficulty could be met, the report suggests, by providing for them some additional income, independent of capitation. Moreover, the general introduction of a publicly organized service would of itself level up low incomes to a considerable extent. The small augmentation that would then be necessary could be provided by organizing refresher courses and paying a bonus of, say, £100 a year to practitioners who had attended such a course within the preceding 3 years. Another device would be to make grants to help meet the professional expenses of practitioners with low incomes.

The difficulty in maintaining the percentage of incomes over £2,000 would probably be that no practitioner can assume responsibility for more than a certain number of patients and that this number may not pro-

vide sufficiently high incomes in the absence of a considerable amount of private practice. Evidence before the Committee indicated that "in the case of mixed insurance and private practice the proportion of the time spent on panel patients to that spent on private patients was in general greatly in excess of the proportion of the income derived from panel patients to that derived from private practice." The report poses the problem but does not indicate a solution.

Another recommendation of the Committee is of special interest to practitioners under 30 years of age. When they have completed their resident hospital appointments, these recently qualified practitioners should be encouraged to spend at least 1 year, and preferably 2, as assistants to a general practitioner before starting their own practice. These younger men should receive a net salary of not less than £500 in the first year and not less than £600 in the second year. Practitioners who employ such a young physician should receive a "supervision fee."

The Committee also recommended that differences between the incomes of rural and urban practitioners be reduced and that additional remuneration should be paid in areas not sufficiently attractive to draw an adequate supply of physicians.

Concerning the cost of the proposals, the Committee estimated that a publicly organized service, covering some 45 million persons, would cost 15s. 6d. per head. Of this amount, about 6d. per person would pay for the "special expenditures" discussed in the preceding paragraphs, leaving 15s. per person per year for the remuneration of general practitioners.

Comparison With Other Professional Incomes

In his rider to the report, the dissenting member of the Committee declared that he agreed with many of the majority proposals but considered the suggested increase in the range of professional incomes too high in relation to incomes in comparable professions. The range must be such, he agreed, as to enable the national health service to attract and retain a sufficient number of men and women with the necessary qualifications and capacities. He saw no evi-

dence, however, that the financial prospects, as shown in the BMA income study, had deterred entrance into the profession in the prewar years. He recommended increasing the percentages of doctors in the higher income brackets but stressed the necessity for considering other factors—specifically the financial return in other professions—in setting up new income scales.

Although this factor was not touched on in the majority report, some figures on selected average incomes of other professions and vocations (table 15) are included in this summary. The figures are not strictly comparable to the percentage distributions presented in the Spens Report, but they show what the recommended incomes would have meant in the British economy of the late 30's. In evaluating the two sets of data, it should be remembered—apart from considerations of the differences in length of training necessary, skill and other qualities required, degree of individual responsibility, and so on—that persons engaged in these professions or vocations presumably had some kind of old-age and survivors protection, while practitioners had to carry commercial insurance. This difference is particularly important in view of the high mortality reported for the British medical profession, to which the Spens Report calls attention, saying that "in 1931 the mortality among doctors between the ages of 20 and 65 was 54 percent above that of higher civil servants and 26 percent above that of professional engineers."

Developments After Submission of the Report

The British medical profession accepted the Spens Report promptly and on September 5 asked the Minister of Health to apply the report to "existing conditions in the present National Health Insurance scheme." This application would lead, in the opinion of the profession, to a capitation fee "somewhere in the neighborhood of 15s."

The representatives of the BMA based this figure on the findings of the Spens Report that remuneration of medical practitioners in 1939 was, on the average, £170 below what it should have been. They contended

that this deficiency should be considered almost wholly in relation to the part of income derived from insurance practice because, while a doctor could control his private fees, his insurance income was based on a rate which he could not adjust. Taking the prewar capitation fee of 9s., which was generally considered much too low, and adding the amount necessary to bring the income up to the level indicated in the Spens Report, would mean a capitation fee of between 12s. and 13s. at prewar standards. If to this amount was added a betterment factor to meet the change in cost of living since 1939, a capitation fee of about 15s. was indicated.

The Minister of Health, who had also accepted the Spens Report as a basis for negotiation, felt that the introduction of the new health service in the reasonably near future made it right to consider the entire question of present remuneration and remuneration in the future service as a whole. He therefore offered an interim increase—retroactive to January 1, 1946—of 2s. in the capitation fee, which had been raised to 10s. 6d. during the war. The profession, however, insisted on negotiations on the current capitation fee only and refused to discuss "the mode and the amount of remuneration in any new service which may be established." Moreover, it considered 12s. 6d.—the amount offered—"gravely

Table 15.—Average income in selected occupations for specified year

Occupation	Year	Average income
University teachers:		£ s. d.
Full professors.....	1934-35	1,095
Assistant professors.....	1934-35	664
Lecturers.....	1934-35	471
Assistant lecturers.....	1934-35	308
Teachers (men) at elementary schools.....	1937	330
Cabinet makers (furniture trade).....	1937	1 199 7 3
Pattern makers (engineering trade).....	1937	1 180 4 2
Agricultural laborers (men).....	1937	1 84 0 6

¹ 50 weeks of employment within 1 year.

Source: *Statistical Abstract for the United Kingdom, 1913 and 1924-1937*, London, H. M. Stationery Office, 1939 (Cmd. 5903).

inadequate."

The threatened deadlock was broken when the Minister again suggested negotiations, informing the BMA that he now was "willing fully to apply the Spens Report to the current capitation fee with effect from January 1, 1946, the increase of 2s. being regarded as a payment on account." On October 24 the profession accepted the Minister's invitation but emphasized that the subject to be discussed in the negotiations would be the current capitation fee only and that the negotiators had no mandate "to discuss matters pertaining to the future national health service."

² Supplement to *Journal of the British Medical Association*, July 27, 1947, pp. 31-32.

³ *Ibid.*, November 2, 1946, pp. 109-110.

Recent Publications in the Field of Social Security*

Social Security Administration

BUREAU OF PUBLIC ASSISTANCE. *The Staff Development Program, Texas State Department of Public Welfare*. Washington: The Bureau, 1946. 111 pp. Processed. (Current Practices in Staff Training. Illus-

trations from State Public Assistance Agencies, III.)

This third report in the series prepared by the Bureau's Technical Training Service presents material showing the experience of the Texas Department of Welfare in providing staff training on a State-wide basis. Free distribution; apply to the Bureau of Public Assistance, Social Security Administration, Washington 25, D. C.

General

CHASE STUART. *For This We Fought*, New York: The Twentieth Century Fund, 1946. 123 pp. (When War Ends, No. 6.) \$1.

An account of national progress to-

*The inclusion of prices of publications in this list is intended as a service to the reader, but any orders must be directed to publishers or booksellers and not to the Social Security Administration or the Federal Security Agency. Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

ward economic security, which the author finds both veteran and civilian want "above everything else."

NEW ZEALAND. SOCIAL SECURITY DEPARTMENT. *Report for the Twelve Months Ended 31st March, 1946.* Wellington: E. V. Paul, Govt. Printer, 1946. 11 pp. 6d.

A statistical report, with a brief summary of legislation passed during the year.

"Summary of 1946 Amendments." *Monthly Review* (Railroad Retirement Board), Chicago, Vol. 7, Sept. 1946, pp. 158-164.

Information on major changes in the railroad social security programs.

SWITZERLAND. LE DEPARTMENT FEDERAL DE L'ECONOMIE PUBLIQUE. *La Législation Sociale de la Suisse.* Berne: Le Département, 1946. 342 pp. (49^e Supplément de la Vie Economique.)

A compilation of 1944 social and labor legislation for the Confederation and cantons. The text is in French and German.

U. S. RAILROAD RETIREMENT BOARD. *The Railroad Retirement Acts and Railroad Unemployment Insurance Act as Amended July 31, 1946.* Chicago: The Board, 1946. 64 pp.

Old-Age and Survivors Insurance

BANKERS TRUST COMPANY, NEW YORK. *188 Retirement Plans, 1944-1946.* New York: The Company, 1946. 59 pp.

Tabular outline of the main provisions of each plan.

"Board's Administrative Structure Revised." *Monthly Review* (Railroad Retirement Board), Chicago, Vol. 7, Oct. 1946, pp. 182-186 f.

Discusses the administrative reorganization of the Railroad Retirement Board and describes the duties and responsibilities of each unit.

BUGBEE, GEORGE. "Progress Toward Security for Nurses." *American Journal of Nursing*, New York, Vol. 46, Sept. 1946, pp. 601-603. 35 cents.

Outlines the recent pension plan for nurses and hospital employees approved by the American Hospital Association.

"How to Calculate the New Death Benefits." *Monthly Review* (Railroad Retirement Board), Chicago, Vol. 7, Oct. 1946, pp. 188-190.

SWITZERLAND. CONSEIL FEDERAL. *Message du Conseil Fédéral à l'Assemblée Fédérale Relatif à un Projet de Loi sur l'Assurance-Vieillesse et Survivants.* Berne: Conseil Fédéral, 1946. 231 pp.

The text and analysis of a proposed old-age and survivors insurance system which was submitted by the Federal Council to the Assembly on May 24, 1946.

Employment Security

BROWER, F. BEATRICE. *Annual Wage and Employment Guarantee Plans.* New York: National Industrial Conference Board, 1946. 55 pp. (Studies in Personnel Policy No. 76.)

Digest and analysis of provisions of wage and employment guarantee plans with discussion of their experience and success.

ISAACS, G. A. "Public Employment Services in Great Britain." *Employment Forum*, Dallas, Tex., Vol. 2, Sept. 1946, pp. 2-7. 50 cents.

Development and present functions are discussed by Great Britain's Minister of Labor and National Service.

KUH, CLIFFORD. "Selective Placement of Older Workers." *Journal of Gerontology*, Springfield, Ill., Vol. 1, July 1946, pp. 313-318. \$1.50.

Comments on the work of the Permanente Foundation Hospital in evaluating the worker's experience, skills, and physical capacity in relation to the demands of the job.

NEW YORK STATE. DEPARTMENT OF LABOR. DIVISION OF PLACEMENT AND UNEMPLOYMENT INSURANCE. *Operations of the New York State Unemployment Insurance Tax Credit Plan, 1945-1946.* Albany (?): The Division, 1946. Various paging. Processed.

General review of the plan and its operation is followed by extensive statistical information.

"Readjust Aid for Veterans." *Industrial Bulletin* (New York State Department of Labor), New York, Vol. 25, Apr. 1946, pp. 20-22.

An amendment to New York's unemployment insurance law provides for benefits to veterans when unemployment is caused by stoppage of work due to labor disputes.

WEST VIRGINIA. STATE PLANNING BOARD. *Report of Post-War Employment Committee on Post-War Labor Force.* Morgantown: 1946. 21 pp. Processed.

Estimates of labor force, employment, and unemployment.

Public Welfare and Relief

"Commission Adopts New Policy for Payments for Care in Private Institutions." *Public Aid in Illinois*, Chicago, Vol. 13, Aug. 1946, pp. 2-3 f.

Outlines new regulations governing the grants to the aged and the blind living in private institutions.

DE GRUCHY, CLARE. *Creative Old Age.* San Francisco: Old Age Counseling Center, 1946. 143 pp. \$2.75.

Case histories showing the work of the San Francisco Old Age Counseling Center.

FERGUSON, DWIGHT H. "Maryland Evaluates Licensing of Agencies and Institutions." *Public Welfare*, Chicago, Vol. 4, Oct. 1946, pp. 227-230. 50 cents.

Experience in licensing child-placing agencies and children's institutions.

KING, EVA. "Public Provisions for Child Welfare in Missouri." *Index of Public Assistance in Missouri*, Jefferson City, Vol. 9, Oct.-Dec. 1945, pp. 59-72.

Reviews the development of the program and present provisions.

ROCKWOOD, EDITH. "Children and the 1946 Session of Congress." *The Child*, Washington, Vol. 11, Sept. 1946, pp. 57-59. 10 cents.

Review of legislation affecting children passed by the Seventy-ninth Congress.

WAGNER, MARGARET W. "Foster Home Care for the Aged." *Journal of Social Casework* (formerly *The Family*), New York, Vol. 27, Oct. 1946, pp. 238-242. 50 cents.

Based on the experience of the Benjamin Rose Institute in Cleveland.

Health and Medical Care

AMERICAN FEDERATION OF LABOR. *Health Benefit Plans by Collective Bargaining.* Washington: The Federation, 1946. 11 pp. (Collective Bargaining Series No. 1.) An outline, based on existing contracts, of a model plan.

AMERICAN HOSPITAL ASSOCIATION. *BLUE CROSS COMMISSION. Member Hospitals, Blue Cross Plans, August 1946.* Chicago: The Commission, 1946. 61 pp.

Membership list for the United States and Canada.

CORWIN, EDWARD H. L. *The American Hospital.* New York: The Commonwealth Fund, 1946. 226 pp. \$1.50.

Development of the hospital and significant trends in the hospital field, touching on number, distribution, ownership, expenditures, personnel, and administration.

GOIN, LOWELLS. "The Public Health, the Politician, and the Doctor." *Journal of the South Carolina Medical Association*, Florence, Vol.

42, Oct. 1946, pp. 274-278. \$3 a year.

Criticizes the Wagner-Murray-Dingell health bill and shows how a voluntary health insurance program would be more effective.

HAYES, JOHN H. "Hospitals and Compulsory Health Insurance." *American Economic Security* (Chamber of Commerce of the U. S. A.), Washington, Vol. 3, Aug.-Sept. 1946, pp. 17-24. \$1 a year.

Opposes compulsory health insurance because of the control over the hospitals which it would give the Federal Government.

HERRINGSHAW, HAZEL. "Nursing in Prepayment Medical Care Plans." *American Journal of Nursing*, New York, Vol. 46, Sept. 1946, pp. 596-600. 35 cents.

Information on the amount of nursing service now provided through prepayment plans, and discussion of the implications for the profession.

KLEM, MARGARET C. "Voluntary Health Insurance—Its Growth and Coverage." *Public Affairs*, Halifax, Nova Scotia, Vol. 9, Sept. 1946, pp. 239-244. 30 cents.

Reviews the development of prepayment plans and comments on the limitations of voluntary health insurance.

MEADOWS, CLARENCE W. "Medical Care: Whose Responsibility?" *West Virginia Medical Journal*, Charleston, Vol. 42, Oct. 1946, pp. 241-243.

The Governor of West Virginia outlines the responsibility of the State for providing public health services and medical care for the indigent and the mentally and physically handicapped. "The New Disability Annuity Provisions." *Monthly Review* (Railroad

Retirement Board), Chicago, Vol. 7, Oct. 1946, pp. 191-194.

Explains the eligibility requirements for occupational disability annuities as well as changes in the total disability requirements.

NEW ZEALAND. DEPARTMENT OF HEALTH. *Annual Report of the Director-General of Health*. Wellington: E. V. Paul, Govt. Printer, 1946. 30 pp. 6 d.

Includes statistics on expenditures for medical benefits for 1945-46.

PETERS, CLARENCE A. Compiler. *Free Medical Care*. New York: H. W. Wilson, 1946. 378 pp. (The Reference Shelf, Vol. 19, No. 3.) \$1.25.

A compilation of statements for and against health insurance.

SALMON, PETER J., and SPAR, HARRY J. "A Glimpse at Recent Developments in Vocational Rehabilitation Work for the Blind." *Outlook for the Blind*, New York, Vol. 40, Sept. 1946, pp. 189-194. 25 cents.

"Sickness Unemployment Benefits." *California Medicine*, San Francisco, Vol. 65, July 1946, pp. 39-40. 50 cents.

Information on the recently enacted California disability insurance act, which stresses the obligations of the physician in certifying a patient's disability.

SIMPSON, HERBERT D. *Health Protection: A Study of Pre-payment Medical Service Plans*. Chicago: The National Physicians Committee for the Extension of Medical Service, 1946. 78 pp.

A study of plans in California, Massachusetts, Michigan, New Jersey, Oregon, and Washington, which concludes with some general considerations as to the problems and future of medical service plans.

STROW, CARL W. "State Plans for Disability Compensation." *American Economic Security* (Chamber of Commerce of the U. S. A.), Washington, Vol. 3, Aug.-Sept. 1946, pp. 12-16. \$1 a year.

Comments on the experience in Rhode Island and considers the objectives of a disability compensation program.

U. S. PUBLIC HEALTH SERVICE. *Health Service Areas: Requirements for General Hospitals and Health Centers*. Washington: U. S. Govt. Print. Off., 1945. 67 pp. (Public Health Bulletin No. 292.) 25 cents.

A projected plan, with numerous charts and tables, of an integrated system of hospitals and related facilities.

WARBASSE, JAMES PETER. *Cooperative Medicine*. Chicago: Cooperative League of the U. S. A., 1946. 4th ed. 63 pp. 25 cents.

Exposition, with examples, of the principles and practice of consumer-cooperative hospital and medical service plans.

WHITEHALL, ALBERT V., and JOHNSON, BREMEN I. "Putting S. 191 to Work as Public Law 725." *Hospitals*, Chicago, Vol. 20, Sept. 1946, pp. 35-38. 30 cents.

Information on the Hospital Survey and Construction Act; a table of preliminary fund allocations is included.

WILSON, ELIZABETH W. "British National Health Insurance—The Workers' Pride." *Journal of Gerontology*, Springfield, Ill., Vol. 1, July 1946, pp. 374-382. \$1.50.

Stresses the shortcomings of the system and compares it with the German program.

(Continued from page 2)

amount than in either of the 2 preceding quarters. Despite the third-quarter drop, awards for the first 9 months of 1946 exceeded by almost a third the total number awarded in the same period of 1945. An estimated 36.3 million workers received taxable wages of \$17.6 billion during the second quarter of this year. Both the number of workers and the total amount of taxable wages were greater than in the first quarter, as was the estimated average taxable wage of \$485. The number of employees reporting these wages—almost 2.5 million—was the largest in any quarter on record.

DURING SEPTEMBER, New York raised its average monthly payments for aid to dependent children by \$9 per family, and Delaware and the District of Columbia raised theirs by more than \$6. In the country as a whole, the average payment per family rose to \$55.41, from \$54.07 in August. Smaller increases occurred in each of the other programs. Some of the increases in the special programs occurred in response to increases in Federal financial participation under the public assistance amendments, effective in October. Total expenditures for assistance were \$99 million in September.

(Continued from page 20)

the 1946 average employer contribution rate will fall below the 1945 level because: rates for 1946 will be determined, even more than those for 1945, by the favorable conditions of the war years; experience-rating systems in Louisiana, Nevada, and New York will be in operation for a full year; lower minimum rates will go into effect in some States; and some war-risk States will no longer have these provisions in effect.

In 1947, however, except for some reserve-ratio States, and Connecticut and New York, rates will very likely increase.





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Periodicals

Social Security Bulletin. Monthly. Subscription price, \$1.50 in United States, Canada, and Mexico; \$2.25 in all other countries. Single copies, 15 cents.

Annual Report of the Federal Security Agency; Section V, Social Security Board, 1945. 25 cents.

Social Security Yearbook, 1944. (Sixth annual supplement to *Social Security Bulletin*.) 50 cents.

Unemployment Compensation Interpretation Service—The Benefit Series. Bureau of Employment Security. Monthly. Subscription price, \$3.50 a year; single copies, 30 cents.

Employment Security Activities. Bureau of Employment Security. Monthly. Processed.

Insured Unemployment. (A new publication giving statistics on the volume of insured unemployment.) Bureau of Employment Security. Weekly. Processed.

Comparative Statistics of General Assistance Operations of Public Agencies in Selected Large Cities. Bureau of Public Assistance. Monthly. Processed.

Reasons for Opening Cases for Assistance. Bureau of Public Assistance. Quarterly. Processed.

Reports

Principles Underlying Labor Dispute Qualifications. Bureau of Employment Security.

Suitable Work—Recommended Policies on Refusal of Work During Reconversion. Bureau of Employment Security.

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Pamphlets explaining the social security programs and the rights of individuals under these programs are available in limited quantities from the Administration's regional and field offices or from Informational Service, Social Security Building, Washington 25, D. C.
